

The NATIONAL UNDERWRITER

Life Insurance Edition

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A Very Merry Christmas

and

A Happy and Prosperous 1942



THE OHIO NATIONAL LIFE INSURANCE COMPANY

CINCINNATI

T. W. APPLEBY, President

FRIDAY, DECEMBER 19, 1941

NYLIC FOR AGENTS

A Successful Agency Plan Since 1896

Nylic for Agents, a system of benefits for persistent and successful agents, was started by the New York Life Insurance Company in 1896. The primary purposes of this special agency plan, commonly referred to as *Nylic*, are:

to encourage men and women of ability and integrity to engage in selling life insurance as a life career;

to offer the Company's agents an opportunity to qualify under the rules of *Nylic* for a monthly income, in addition to current commissions, payable in the third and subsequent years of an agent's membership in *Nylic* up to and including the twentieth year;

to offer the agents an opportunity to earn the right to receive a monthly income for life after qualifying for 20 consecutive years under the rules of *Nylic*;

to give the Company a corps of *permanent* agents and thereby to provide policyholders with greater continuity of personal service.

All *Nylic* payments to an agent are determined by the volume, incidence and persistency of his business in accordance with the terms of his *Nylic* agreement. An annual minimum volume must be produced.

Nylic for Agents rewards and encourages increased length of service with the Company. During an agent's first 20 years in *Nylic*, his rate of compensation per \$1,000 of insurance on which the *Nylic* monthly income is based, is increased at the end of 5 years, 10 years and 15 years of continuous *Nylic* membership. After qualifying for 20 consecutive years, the agent becomes a Senior *Nylic* and receives a monthly life income.

Before he becomes a Senior *Nylic* an agent's membership in *Nylic* and qualification for *Nylic* payments are subject to his continuing in good standing under his agency contract with the Company, and his compliance with the rules and regulations of the Company. However, after he becomes a Senior *Nylic* he will receive regular monthly income checks for life, whether he has an agency contract with the Company or not, provided only that he does not enter the service of another life insurance company. Most Senior *Nylics* do have an agency contract with the Company and continue to write a substantial new business, thus increasing their incomes by first and renewal commissions on such business.

There are now nearly 1,000 living Senior *Nylics* and the present average Senior *Nylic* income check is nearly \$100 per month. The average age when agents become Senior *Nylics* has been about 55.

With this special agency plan which promotes and rewards long continuity of service, New York Life agents have a unique incentive to render the best possible service to their clients.

The experience of the Company with *Nylic* since 1896 shows that it benefits all concerned—the agent and Company, the policyholder and beneficiary.

It is not the purpose of this advertisement to describe all of the benefits, rules and conditions of "Nylic for Agents." For complete information about the Nylic agreement now being made with newly appointed New York Life agents, see the Company's booklet entitled "Nylic No. 3."

NEW YORK LIFE INSURANCE COMPANY, 51 MADISON AVE., NEW YORK, N. Y.

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The NATIONAL UNDERWRITER

Forty-fifth Year—No. 51

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, DECEMBER 19, 1941

\$3.00 Year, 15 Cents a Copy

Important Head Office Changes at Metropolitan

**Gale Johnston Third
Vice-president—A. C.
Campbell Group Head**

NEW YORK—In anticipation of the retirement on Jan. 1 of Vice-president J. E. Kavanagh, who is in charge of group, Metropolitan Life has advanced J. M. Campbell and Gale F. Johnston



GALE F. JOHNSTON

to the rank of third vice-president. Second Vice-president A. C. Campbell, associated for many years with Mr. Kavanagh in the administration of the group division, will take full charge on Jan. 1. In association with him J. M. Campbell will have immediate charge of group insurance administration and Mr. Johnston will be responsible for group sales.

Metropolitan also announced the appointment of Dr. R. W. Finegan and Dr. J. T. Geiger as assistant medical directors effective Jan. 1 and of H. E. Welsh as assistant secretary, effective Nov. 25.

J. M. Campbell has been home office manager of the group division since 1927. He joined Metropolitan as secretary to J. B. Bradley, now secretary of the company but then a superintendent of agencies. He served in various capacities, joining the group division after his discharge from the navy, with which he served during the first world war. He was manager of the group clerical organization, later becoming divisional sales manager for New York City territory, assistant manager of the home office group division in 1924 and manager in 1927.

Mr. Johnston has been on leave to serve as field director defense savings

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Attachment of War Clause to All Policies is New Move

The rush of companies to put in effect war clauses on new issues to male applicants of military ages, which set in with Japan's attack on Pearl Harbor, took a new turn this week which may result in most companies applying the clause to all ages and both sexes.

Metropolitan and Equitable Society, which some time ago announced war risk and aviation exclusion riders applicable to all in the armed services or who probably would be called, have just made these same clauses applicable to all applicants, all ages, both sexes. Northwestern Mutual, New York Life, effective Dec. 22; Mutual Life of New York, Dec. 21; Prudential, Dec. 23, and Connecticut General announced a war clause and similar rules.

Among the leading companies which up to Wednesday noon had not yet made known their decisions about applying a war clause were Acacia Mutual, Fidelity Mutual, Sun Life of Canada, Mutual Benefit, General American, and Mutual Trust.

The restriction would operate only if the insured were in service in the armed forces but would not apply to civilians except under the foreign residence and travel restriction contained in most war clauses issued to applicants outside New York state. It is expected by the end of next week most prominent companies will be on this basis, or at least will have made their announcements. Other Hartford companies probably will take similar action.

Sun Life notified field men in the United States Monday, Dec. 8, the day after the Japanese surprise attack, it was considering applying a war clause in this country, and soon will decide on the type of exclusion.

Other companies are seriously considering the advisability of putting a war clause on all policies without regard to age or sex of applicants. There is quite a strong feeling in some quarters that all policies should have a war clause at all times and not just as an emergency measure. The reasoning is that if the war clauses is in all policies it will not impair the contract's value to the person who is not in military service or has no chance of being called, but will exempt the company from claims not contemplated in fixing the premium.

One prominent company, which already has a war clause, is considering not only raising the age limits in view of older men being included in the draft, but also applying the clause to policies issued to trained nurses, since they are likely to be called in large numbers for war service.

The fact that the Japanese caused many civilian deaths in their attack on Hawaii and the Philippines has caused renewed discussion of the eventual advisability of excluding liability for deaths occurring among civilians as the direct result of hostilities. As far as can be determined none of the companies is considering this as an immediate step but for more than a year many actuaries have felt that all deaths caused by acts of war should be excluded from coverage even though the insured is a civilian.

Since one of the principal aims of a

war clause is not merely to avoid excessive war mortality but to keep from being loaded up with applications from men in military service or liable to call, it would not be particularly necessary to broaden the war clause to apply to civilian deaths within the United States unless air raids indicate a considerable hazard and civilians in vulnerable locations show a tendency to rush to buy life insurance to protect themselves against the dangers of war.

This all-ages, both sexes action, while at first interpreted by life insurance men to be a harsh measure, has proved upon inspection to be a realistic but just approach to the problem that has greatly puzzled all company officials.

The clause merely will be inserted in all new ordinary policies, to become operative when and if the insured dies of wounds or disease sustained in military service during war. It recognizes that the present war may last for only two years, or for 20, in which latter case children of today might become death claims which the life companies, lacking a war clause, would have to pay although they were national liabilities and not properly borne by life insurance policyholders alone. Similarly, that a long war might call into service men normally beyond the draft age. Approval in England of the move to draft women for certain services proves in modern war they are not immune.

Continued lack of uniformity in war clause provisions was noted this week, especially in regard to protection against deaths while in military service within the United States, or the so-called "home areas" of the United States and Canada. Perhaps a larger proportion of companies which have announced clauses exclude deaths from military causes (except civilians) and in associated services wherever they may occur, but a substantial number of companies still provide full protection for such deaths within this country.

There also was observed a diversity in the age brackets to which the clauses are applicable, some running 18-28, others 18-30, 18-35, or 14-36, and one company 16-45. If the proposal to enlarge the draft to men of 45 is adopted by Congress, further revision of the age brackets may be expected by all companies, unless they adopt the all-ages formula.

Another puzzler for the company officials appears to have been how to treat women applicants. Some types obviously would be exposed to war hazard, such as nurses entering war service and women executives, nurses and helpers of the Red Cross, "Y", Salvation Army, etc. A great many companies solved this, at least temporarily, by not stipulating "males" as those to whom the war clause was applicable, others by this means and specific note that nurses, etc., might be subject to the clause.

The most liberal clauses apply specifically only to single males in what are deemed to be the immediate military age bracket, but many companies designate merely "males," and others leave the matter of sex open, in which case

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Life Sales Booming with Public in Buying Mood

**Rate Changes, War
Clauses and Bonus Money
Highly Stimulating**

Life insurance sales are booming, with a noticeable pickup in December despite the fact that business has been brisk for the past six weeks.

People are in a buying mood, stimulated by the fact that they have more money on hand, many having received substantial year-end bonuses. Voluntary purchases are in evidence and many procrastinators have been aroused to action.

With the widespread publicity being given the rate changes the agents so affected have not only been doing a bumper business but agents of other companies have felt the buy now impulse as well.

Little Notice on War Clauses

In most cases war clauses are being clamped on without notice but offices which are being given a few days leeway have capitalized on the change in a substantial way. However, agents of companies which have already had war clauses in effect are not finding the provision a sales deterrent. One live-wire agent went out and sold 26 war clause policies last week to men around draft age. Some estimate that the war clause may be responsible for up to 60 percent of the current sales but others find they are getting a wide age spread on business which doesn't bear out this contention.

Jog People Into Action

The war situation has tended to jog both agents and the public into action. Those who have tended to do nothing because of uncertainty now feel that there is a job to be done and the call to action has extended to both life insurance buying and selling. One agent got on the phone the day after the Hawaii attack and closed \$100,000 in pending cases.

Mental attitude is held to be an important factor. War clause and rate changes have stirred up agents to make more calls. The man in the street has more money in his pocket which in turn has reflected in the buying attitude of the higher-ups.

Interest in tax angles has been accentuated by the 1942 tax increases and prospects of additional tax provisions. Many men are checking over their estate and income tax situations in view of the impending changes.

Business insurance sales are up with special stress on key man and partnership cases.

A number of midwestern offices had
(CONTINUED ON LAST PAGE)

Life Presidents Meeting Reflects War Conditions

By C. M. CARTWRIGHT

The Association of Life Insurance Presidents at its annual meeting in New York City last week was confronted with some problems, due to the sudden attack on United States possessions by the Japanese the Sunday before. Some hurry-up work had to be done due to the fact that five distinguished men listed on the program could not be present because of the exigencies of the hour. They were U. S. Senator Styles Bridges of New Hampshire; Governor H. E. Stassen of Minnesota; J. T. Trippe, president Pan-American Airways; Gen. George E. Marshall, chief of staff of the army, and D. S. Freeman, editor of the Richmond, Va., "News Leader."

W. C. FitzGibbon of the United States Treasury Department at Washington, who spoke on national defense progress, found it impossible to be present at his scheduled time Thursday afternoon and was shifted to Friday morning.

Manager Whitsitt of the Presidents Association was fortunate in getting two 11th hour substitutes for Gov. Stassen and Senator Bridges. Linton Wells, well-known newspaperman, author, traveler, aviator and radio commentator, was the first speaker Friday afternoon and Frank Gervasi, associate editor of "Collier's," war correspondent and general reporter, was the last speaker Friday afternoon. In addition to the program's dislocation many speakers changed their manuscripts following the declaration of war because an entirely new situation presented itself. This was particularly true in the case of President O. J. Arnold, Northwestern National Life, who was chairman of the meeting; A. N. Mitchell, president of Canada Life and to some extent, Editor O'Leary of Ottawa and Commissioner Hobbs of Kansas.

Send Telegram to Roosevelt

At the very outset of Chairman Arnold's address he referred to the shock of the war and its sudden impact on the nation. He stated that the Life Presidents organization and each member pledged their support to President Roosevelt, to the armed forces, to the American people and to the Canadian allies. President L. A. Lincoln of Metropolitan Life had prepared a telegram to be sent to President Roosevelt which he read and which was approved with great acclaim, pledging full support.

Manager V. P. Whitsitt called the meeting to order and introduced Mr. Arnold. He referred to his distinguished career in life insurance and also to his great activity in other activities, civic, political and philanthropic. He said the insurance fraternity knew Mr. Arnold more familiarly as "O. J." Thus Mr. Whitsitt brought back recollections of the old Illinois Life of Chicago when Mr. Arnold was secretary. The various officials of that company were always known by their initials.

Follow a Program Pattern

The Life Presidents' program builders follow a pattern which takes care of many of the features of the annual meeting. For instance, there is always a distinguished Canadian speaker on the program. Then greetings are received from other organizations. There is always an agency executive who gives a talk. The president of the National Association of Insurance Commissioners appears on the program. There is some one executive assigned to give the investment address in which statistics appear. Usually a medical director appears but that feature was omitted this year.

The program was originally constructed with a brilliant galaxy of out-

siders and of prominent insurance people who appeal to the listeners and it was anticipated with special interest. This was particularly true of the Friday afternoon program when Governor Stassen, W. H. Cowley, president Hamilton College of Clinton, N. Y., Mr. Trippe of Pan-American Airways and Senator Bridges were to speak.

Audience Showed Its Patriotism

The program very naturally centered about the war and defense situation. This was accentuated by the fact that there was the sudden attack by the Japanese the Sunday before the meeting. The audience was united in its spirit and sentiment. It gave expression to patriotic utterances by thunderous applause. The speakers that dealt entirely with war subjects had a particular hold on the audience. Executives were eager to gain any impressions they could as to what might be the effect of the war on their companies. This was particularly true outside of the auditorium where personal conversations and conferences were found on every hand.

Mr. Arnold was at home on the platform. He has had a long experience as a speaker and hence was not in awe of his audience. In his opening remarks Mr. Arnold said that the thought may have struck some of his listeners as it did him in the last few days that this was just the time to gather together to hear addresses. The attack on the United States, he declared, aroused a desire in every one, individually and collectively, to strike back in some way or other at once and hard. He concluded that deliberations and in time to come discussions of insurance responsibilities in defense of democracy were even more appropriate after the events of the last few days than when the original theme was selected, "Life Insurance in Defense of Democracy."

Canadian Editor Made Hit

Following Mr. Arnold's address came the Canadian speaker, one who was not connected with the insurance business. This year it was M. Grattan O'Leary, associate editor of the Ottawa "Journal." He has been prominent as a newspaperman and in its many activities. He is frequently heard on the air. He was one of a group of 11 Canadian newspapermen who were invited last fall to study conditions in Great Britain and Ireland. He had personal interviews with Winston Churchill, several members of his cabinet, British military leaders and other people who were high up in British defense and strategy.

Mr. O'Leary, after a very extended and flattering introduction, stated that recently he was making a political speech when the chairman referred to him as a man who was known throughout Canada and whose name was on every one's lips. Then he was introduced as an "internationally known correspondent, Brattan O'Reilly." He ac-

knowledgeed that he had made elaborate and necessary changes in his manuscript due to the sudden turn in the war situation. He confined his attention largely to describing what Canada had done during the two years it has been at war, showing the high taxes that people were bearing without a murmur and explaining how a peaceful nation in two years' time had been able to gear itself to new production demands.

COST TO CANADA

Canada has less than 12,000,000 people and he said that the national income next year would be less than \$6,000,000,000. He spoke on three subjects; first he asked the question why did we go to war? Secondly, how are we making war? Last, what does war mean to our lives? He said that the Canadian people were confronted this year with taxes, taking count of provincial and municipal taxes, of \$1,850,000,000. Next year, he said, Canada will send to Britain good war equipment in the value of \$1,500,000,000 and Canadians, he added, will provide every dollar required to finance these purchases.

He said that in Canada a citizen with an income of \$1,600 pays \$71 tax and on a salary of \$3,000, he will pay \$355. On a salary of \$10,000 he will pay \$2,930. He said that while Canada and the United States are fighting Japan, across the Atlantic and not across the Pacific abides their greatest peril. Victory over Japan, he asserted, must be an empty thing unless Hitler is destroyed.

What Germany Lacks

He ended his address with a peroration saying that Germany lacks those spiritual and moral resources which belong only to men who are free. He said, "They can put their trust in bands of steel; they can put their trust in vile treachery. They will not prevail against that host of marching men who were born free and whose purpose is to remain free and who intend that their children shall be free. We stand today on a darkening plain swept by the smoke of the fighting battalions, but we can lift up our eyes and see far against the sky the everlasting hills."

Chairman Arnold, in commenting on the address, said, "Canada always sends us her best. We always have a message of substance and inspiration from the representative of Canada at our annual gatherings, but we are especially fortunate this year, it seems to me, and by your audience you have indicated the same, in having with us Mrs. O'Leary." When Mr. Arnold made the remark and referred to "Mrs. O'Leary" there was a great outburst of laughter. However, Mr. Arnold, being a native Chicagoan and having lived there for many years, recognized Mrs. O'Leary and her famous cow as patron saints and he acknowledged therefore that he had made a "bull."

A. J. McAndless, president of Lincoln National Life and president of the American Life Convention, spoke a word of greeting for that body. Chairman Arnold and President McAndless

Turn to Microfilm to Protect Records Against Air Raids

NEW YORK—As a form of insurance against the possibility of valuable records being destroyed in an air raid companies are turning to the microfilm process for quickly and inexpensively duplicating their essential file cards. Records are run through a rapid-fire camera which makes a picture of the document on 35 millimeter motion picture film. While each picture is only about an inch wide, it can later be blown up to any desired size by projecting it on a screen.

New York Life, for example, has taken this precaution for its file cards in the mortgage department. While the data on these cards could be reconstructed from other sources, it would involve a stupendous amount of work if any great number of cards should be destroyed. Because of the small size of the microfilm record and the rapidity of the process, the cost is far less than photostats. The film stored in the lowest sub-basement, is presumably immune from harm.

The microfilm process has been gaining in popularity for the last few years, though not as a precaution against possible air raids. The main purpose has been to reduce the amount of storage space needed for dead records, which presumably will never have to be consulted again but which must be preserved against some possible question arising in the future. These records are photographed on microfilm and the originals destroyed. The film takes only a fraction of the space of the original records.

have much in common because they came to their thrones through the route of the actuarial department. Both men have been in insurance work their entire business life. They demonstrate the fact that today many men who are actuaries and have a very practical sense of values of all kinds, are imaginative and robust, make excellent guiding stars for a life company. Mr. McAndless twitted "O. J." on his slip of the tongue and then said he was happy that this occurred because it took some of the strain out of the situation and helped the audience to get rid of that lump in their throats following the moving and inspiring address of Mr. O'Leary.

Raised Among O'Leary's

Mr. McAndless said that he was raised as a boy in a community where there were many Sullivan's, O'Leary's and that the community had to identify them either by the form of their faces or the geographical location from which they came. He referred to the constructive work of the committee of insurance commissioners on non-forfeiture values and its associated actuarial committee, saying that the department and company actuaries have done a most valuable turn. He said that the committee had

(CONTINUED ON PAGE 6)



AT LIFE PRESIDENTS ASSOCIATION PARLEY IN NEW YORK:

L. M. Cathles, president, and Howard Oden, vice-president, of North American Reassurance; James A. Fulton, president Home Life of New York; Linton Wells, radio commentator who addressed the closing session; and G. S. Nollen, president Bankers Life of Iowa.

Civilian Workers at Outposts Are Insurance Problem

Underwriting Question No Less Difficult Than That of Soldiers

NEW YORK—With the United States' entry into the war, underwriting of men who may go to defense outposts as civilian construction or production workers looms as fully as acute a problem as the acceptance of men who may go into the armed forces, necessitating the foreign residence and travel restriction that most war clauses carry where state laws permit. These skilled civilian workers may be sent to strategic spots which for that very reason are subject to air raids.

From the issuing company's point of view there is the problem of concentration of risk. A construction company, for example, that is sending its workers abroad to construct an air base usually tries to arrange life insurance for them. The agent handling it will place it in his company and while the amount on each life is not unduly large there is a good chance of heavy loss if an enemy air raid should wipe out several thousand of these workers.

Like Conflagration Hazard

The situation is similar to that facing a fire insurance company insuring a large number of buildings in a congested area where a widespread conflagration may destroy many buildings in the same disaster. As an example of the scale on which some of these foreign bases are being built, an aircraft manufacturer plans to set up an assembly and service plant in Africa which will employ 2,500 workers in its construction and operation.

Since New York does not permit civilian residence and travel exclusions, underwriters can only reject such risks as seem to present this hazard or take them at an extra premium ranging from \$10 upward. Some workers going to Russia via Archangel to be stationed around Moscow paid an extra premium of \$50 per \$1,000.

Some group-writing companies favor covering these civilian workers abroad through group insurance, charging what is believed to be a fair extra premium. The presumption would be that the corporation would also cover its much larger group of employees in the United States under the same group policy. Hence, if the extra premium charged the workers abroad proved to be not quite high enough the life company would have a chance to make up the excess loss to some extent on the experience on the group as a whole.

War Clause Needn't Lessen Sales

ST. PAUL—Insertion of the war clause in policies now being written need not result in any lessening of new business, Harold J. Cummings, agency vice-president, advised the Minnesota Mutual Life field force following the outbreak of the war.

"Events of Sunday and Monday do not change prospects' need of insurance nor our own need of making a living," he wired. "War status does make use of war clause in new issues imperative in many cases. Though business now in the office is being cleared without the war clause, same will be inserted in further issues without further notice."

American Convention Date for 1942 Meeting

The annual meeting of the American Life Convention will be held the week of Oct. 5, 1942, at the Edgewater Beach Hotel, Chicago. President William Dewey of the hotel was in New York City last week when the executive committee met to decide the time and place. He remained over for the meeting of the Life Presidents.

November Sales Up 21.6%; Gain for 11 Months Is 8.7%

New life insurance for November showed an increase of 21.6 percent over November of last year. The total for the first 11 months of this year was 8.7 percent greater than for the corresponding period of 1940, according to the Life Presidents Association.

All classes contributed to the increase. New ordinary amounted to \$450,770,000 against \$391,390,000 increases of 15.2 percent. Industrial was \$141,349,000 against \$134,859,000, increase 4.8 percent. Group was \$89,360,000 against \$34,256,000, increase of 160.9 percent. For the month the new business of all classes was \$681,479,000 against \$560,505,000, increase of 21.6 percent.

For the first 11 months of this year, the new business of all classes was \$7,190,322,000 against \$6,617,065,000. New ordinary amounted to \$4,935,778,000 against \$4,606,283,000, increase 7.2 percent. Industrial was \$1,524,430,000 against \$1,439,487,000, increase 5.9 percent. Group was \$730,114,000 against \$571,295,000, increase 27.8 percent.

Clarification of Mutual Status Felt Advisable

Life company lawyers have been caused to sharpen their thinking on the meaning and implication of mutuality by the suits filed in Chicago some time ago against 15 mutual life companies, through one joint attorney, by former policyholders whose contracts had terminated by lapse or surrender, claiming they were entitled to an accounting and distribution of their proportionate share of a common interest in undistributed surplus funds held by the company which had been accumulated during their membership. Sterling Pierson, counsel Equitable Society, told the Association of Life Insurance Counsel at the meeting in New York. In the long run this litigation will prove to have been beneficial, he said. At the time it caused some consternation because many millions of dollars would have been involved if the decision had turned against the companies, and the claimants' argument was superficially logical.

Theory of Chicago Claimants

The Chicago plaintiffs' theory was that a mutual insurance company partakes of the nature of a partnership and each member is at the same time insurer and insured; that all its assets, including surplus, belong to members, although legal title thereto is vested in the corporate entity; that any funds accumulated by it in excess of its losses and expenses constitute a surplus and members are entitled to share therein; and that where in a mutual insurance company a surplus has been accumulated and not distributed before termination of membership, at the termination of respective membership retiring members are entitled to a distribution of their proportionate shares of the surplus. Mr. Pierson said plaintiffs' counsel time and

again asserted claims for his clients were not based on the contract but on the fact of their membership in mutual insurance companies and the rights implied from such membership.

Mr. Pierson said a surprising amount of "judicial language" was produced by plaintiffs' counsel in apparent support of his position, although the trend of the decisions cited, if they are closely examined, runs strongly against the claimants' theory. The principal difficulty life company lawyers have experienced in such cases has consisted in explaining language and not in rationalizing actual decisions of courts.

Notes Confusion of Courts

" Oftentimes during the pendency of this litigation when we tried to make our position plain for purposes of memoranda or briefs, my thoughts have gone back to the past in an effort to understand more clearly just how so much confusion has crept into the cases in the language used by the courts with respect to mutual life insurance companies," Mr. Pierson said.

"I have come to the conclusion that a major part of the confusion is traceable to the failure to keep our legal phraseology abreast of the changes which have taken place in the manner in which life insurance companies are originally organized and subsequently operate. For example, a good deal of the language about the relationship existing between the mutual company and its policyholders may well be attributable to the fact that a substantial portion of the life insurance business was at one time carried on by life insurance organizations which were not corporations as we know them, but operated either on a partnership basis or something closely akin to a partnership."

Cites Ancient British Society

He noted the Society for Equitable Assurances on Lives and Survivorships, known as Equitable of London, formed in 1762. This was a life insurance fund to which all contributed and through which each in truth, and not merely as a matter of phraseology, was insured by all the others and was himself an insurer of all the others. There was a relation of partnership and trust rather than of debtor and creditor. This ancient partnership plan was successful and continues to flourish in London.

"When the life insurance business spread from Great Britain to the United States, it began to function through an organization which was corporate in form, but retained many of the partnership aspects of the old Equitable. Then there began to develop mutual companies doing business on the assessment or premium-note plan. The next step was the formation of purely stock life insurance companies. Then came the mutual companies doing business on the stipulated payment or level premium plan, which replaced to a considerable extent the former mutual companies which had transacted business on the premium-note or assessment plan. Then the stock company doing business on the mutual plan, and finally the mutualized company."

"While the courts seemed to have been able to keep their thinking straight so long as they were dealing with purely stock companies, they have fallen into difficulty when called upon to distinguish between the companies which have always been mutual companies, mutualized companies, and mutual companies doing business on other than the level premium plan. A good deal of the confusion in the language used by the courts in these cases dealing with mutuality arises from a failure to distinguish between different types of mutual companies."

"We lawyers need always to be
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EXTENSION TO CHRISTMAS

In 1915 a South Carolina farmer, at the age of 42, was insured for \$1,000 of Ordinary Life. He lived and worked in a county where the farming was largely in cotton and truck and not very prosperous, but he doggedly managed to keep up his premium payments for 23 years. In 1938 he felt that he must permit the insurance to lapse.

But this was not the end of the protection, for the company notified him that it had cancelled the indebtedness of \$372.49 and was able to provide insurance protection of \$628 under the automatic extension clause because of the values built up during those 23 years of faithful payments.

The policy was still to continue for that amount until the date of December 25, 1942, the extension value thus carrying on protection as a sort of Christmas remembrance.

As it happened, the farmer died in October of 1941, when he was aged 68, more than a year before the end of the extension period, so that the Christmas gift of financial protection was turned over to his beneficiary.

The farmer's widow was the beneficiary, and having three children and one grand-daughter to care for, or to help care for her, the insurance money was important.

* * *

THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY
Chairman of the Board

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

N.A.L.U. Trustees Have Full Session

Legislation, Agents' Compensation, Membership and Other Issues Treated

During its day and a half of sessions in New York, trustees of the National Association of Life Underwriters heard reports of standing and special committees on all major projects. President Witherspoon, Vice-president Grant Taggart, Secretary Herbert A. Hedges and Treasurer Walter E. Barton of New York submitted reports.

Julian Myrick, as retiring head of the committee on federal law and legislation, and Charles J. Zimmerman, Connecticut Mutual, Chicago, new chairman, discussed major projects of the committee now active in Washington: The clarification of the federal estate tax law dealing with the taxation of insurance proceeds; the question of the inclusion of present values of renewal commissions in the estate of deceased agents; the exclusion from the gross estate of insurance proceeds earmarked for the payment of federal estate taxes, and the taxation of premium payments of pension trusts. State aspects of the law and legislation situation were developed by P. B. Hobbs, Equitable Society, Chicago.

The present status of moves to revise agents' compensation was discussed by Harry T. Wright, Equitable Society, Chicago. The problem of the agent's relationship to the social security act was reviewed by Mr. Zimmerman.

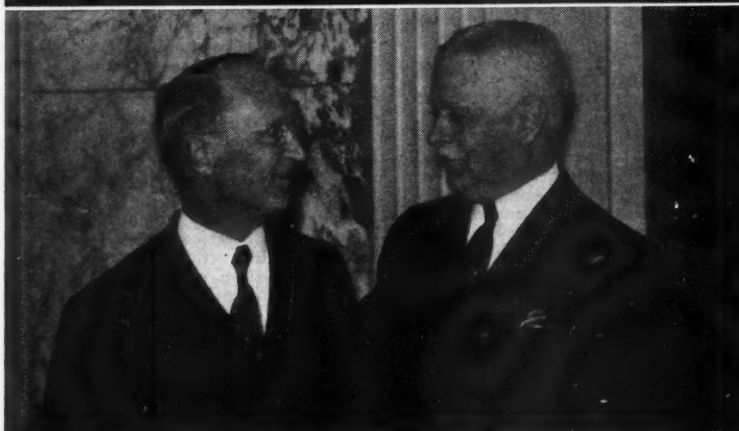
Disappointment that more companies have not seen fit to sign the agency practices code was expressed by Clancy D. Connell, Provident Mutual, New York, head of the association's agency practices committee. There was also discussion, led by Education Chairman Roy Ray Roberts, State Mutual, Los Angeles, and Earl F. Colborn, Connecticut Mutual, Rochester, of the new life underwriters' service training program proposed by the Life Agency Officers.

Problems that the National association will face in membership during 1942 were outlined by Membership Chairman Hedges. The board voted to give further study to the question of qualifications for membership in the association. Local aspects of the problem were handled by W. Rankin Furey, Berkshire Life, Pittsburgh, chairman of the committee on local association administration. Mr. Hedges presented a plan for regional training meetings of local officers, which will be held throughout the country this year. This job will be handled by Mr. Hedges and Mr. Furey.

How the general agents' and managers' section will shape its work to coordinate with the organization as a whole was described by Wilbur W. Hartshorn, Metropolitan Life, Hartford, chairman, and the 1942 activities of the committee on state and regional associations were outlined by the head of the group, Ralph W. Hoyer, John Hancock Mutual, Columbus.

One of the biggest jobs of the association during the current year, the movement to sell defense savings bonds and stamps, held the center of the stage for a great part of the meeting. Gale F. Johnston, Metropolitan Life, trustee of the National association and former field director of the Treasury's defense savings staff, described the work being done. William H. Andrews, Jr., Jefferson Standard, Greensboro, gave an account, as committee chairman of the association's activities, and Ralph G. Engelsman, Penn Mutual, New York, sales director, explained the specific selling steps that were being carried out throughout the country. Methods of using public relations as a means of selling bonds and of publicizing their sale were discussed by Earle H. Schaeffer, Fidelity Mutual, Harrisburg, head of the committee on life insurance information.

Preliminary plans for the 1942 national



Notables at New York City meeting of Life Presidents Association:

Top—J. M. Laird, vice-president Connecticut General, and Reginald McCankie, vice-president Equitable of Iowa.

Center—T. A. Phillips, president Minnesota Mutual, and Julian Price, president Jefferson Standard.

Below—John A. Witherspoon, general agent John Hancock Mutual at Nashville and president of the National Association of Life Underwriters, and Julian S. Myrick, former trustee and past president of N. A. L. U., who recently became second vice-president of Mutual Life of New York after long service as manager of its Ives & Myrick agency in New York City.

convention, which will be held in Minneapolis the week of Aug. 24, were reviewed by James E. Rutherford, Penn Mutual, Seattle, program chairman, and Tom B. Reed, Great Southern, Oklahoma City, chairman of the "On to Minneapolis" committee.

CALLED TO SERVICE

W. Graham Kirkpatrick, general agent of Mutual Benefit Life in Birmingham, Ala., is now in army service as a captain at Maxwell Field, Montgomery, Ala. James Parker has been named associate general agent in Birmingham. He was formerly district manager in Albany, Ga., under the Atlanta manager.

John Hancock Has New Veteran Plan

To Pay Special Annual Fee of 60c Per \$1,000 in Force

BOSTON—Announcement has been made by President Guy W. Cox of John Hancock Mutual Life of the establishment of a plan for older agents in general agencies, effective Jan. 1, to be known as "veteran agents special fees."

This plan covers every full-time agent in the general agencies who has already attained age 65 and who meets certain other necessary qualifications, chief of which is \$1,000,000 or more total ordinary insurance in force.

Under the provisions of the plan an eligible agent will receive special fees of 60 cents per year per \$1,000 of ordinary insurance in force, beyond the period of renewal commission payments of which he or she was the writing agent of record. These special fees will be paid in 12 equal monthly instalments.

Receive Not Less Than \$600

An agent who once qualifies for veteran agents special fees, having a total of \$1,000,000 or more of ordinary insurance in force, shall thereafter receive not less than \$600 per year from his regular commissions and the veteran agents special fees combined.

The amount of service fees due the qualifying agent for each succeeding calendar year will be determined each year by calculation of the ordinary insurance in force on Oct. 31 of the preceding year.

The established minimum of \$600 a year referred to above, will not be decreased thereafter, but will, on Jan. 1 of the year after an agent attains age 75, be increased in proportion to the excess, if any, of his business then in force over the amount upon which his minimum was originally calculated.

In his announcement, President Cox called attention to the fact that the benefits above outlined have required no financial contributions from the agent. He also announced that the John Hancock is continuing its work and studies to present the best plan possible to all age groups now below 65 who are not covered by the above plan.

Neb. Department Clarifies Buying of Group Coverage

LINCOLN, NEB.—The Nebraska insurance department has ruled, in each of the many instances where the matter has come up, that state legislation is necessary to more clearly define who may form a group for group insurance purposes, according to John S. Logan, attorney for the department.

Mr. Logan has expressed the opinion that such legislation might follow the pattern of some states in which groups may be made up of any association not formed for the purpose of procuring insurance and including labor unions. In Nebraska "employer" is the integrating essential in any cooperative setup.

Inquiries Increase

Mr. Logan says that during the last year he has received more inquiries as to how to go about forming group insurance plans than in the six years preceding. There appears to be an impression, he said, that a group, as an insurance term, simply means a number of persons who have a common desire to buy insurance of a certain type, life, accident, disability or property. Most of the inquiries have come from representatives of industries, who want officers of the organizations to which they belong named as agents with authority to issue policies to members, the commissions going into a pot out of which distribution will be made to the policyholders.

Insurance Offices Closing Early to Aid in Blackouts

LOS ANGELES—Insurance offices here and elsewhere in southern California are much concerned with the war situation, and particularly with blackouts. Because of the latter insurance offices have adopted the plan of closing early, to help ease traffic congestion should a blackout be ordered early in the evening.

Pacific Mutual employees are now dismissed at 4:15. Occidental Life will base its procedure on whatever recommendations the central defense council recommends. Hartford Accident is closing early, along with many other company and agency offices.

John King Suspends Annual Dinner During War Time

John J. King of New York City, head of the Hooper-Holmes Bureau, who for some years has given a dinner Wednesday evening of Life Presidents Week in honor of the new president of the American Life Convention, announced at his function last week that no further ones will be arranged during the period of the war. He spoke feelingly of the associations of the past and the pleasure he enjoyed in being the host. This year 105 guests sat around the festal board.

Mr. King has spared no expense in preparing these dinners. They have been sumptuous. Recently he has provided pheasants as the piece de resistance with

and one year, one half of this rate will apply.

Contributions under the pension plan are 2 percent of salary (if not over \$400 a month) for ages 30-39; 3 percent for ages 40-49 and 4 percent for age 50 and over. These contributions will be matched with a like amount by the company. In addition, an annuity to be paid for equally by the company and the employee may be elected, providing \$1 per month for each three years of service after age 30.

Retirement is compulsory at age 65, whether or not membership is elected in the plan, except that for women now over age 60 retirement will be compul-

sory Jan. 1, 1947, and for men over 60 on that date or the Jan. 1 nearest age 70, whichever comes later.

Under the hospitalization plan, employees will be reimbursed for hospital expense at \$5 per day up to 70 days. In addition, certain hospital expenses up to \$25 will be paid. No maternity benefits are payable. The monthly premium for women and single men is 75 cents per month; married men \$1 per month, with dependent benefits at the rate of \$3 per day for such men entering below age 60.

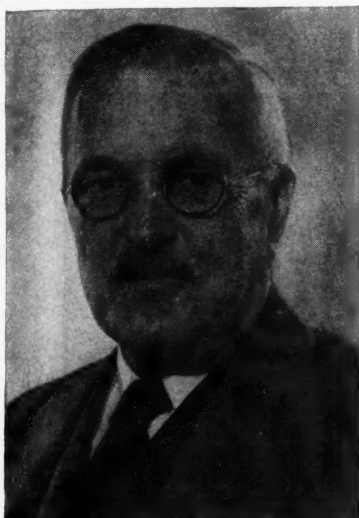
Kansas City Life has just purchased \$1,640,000 of U. S. Treasury bonds in its

program to cooperate to the fullest possible extent in the purchase of government securities, President W. E. Bixby announced.

Church Life Capital \$250,000

Capital of Church Life has been increased from \$100,000 to \$250,000 by means of a stock dividend, "thus," according to the announcement, "capitalizing some of its surplus partly for the further protection of its policyholders and partly for the benefit of the Church Pension Fund as its sole stockholder."

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JOHN J. KING

the waiters marching in with the birds on large platters. One man was dressed in hunting costume to head the procession.

The entertainment program was varied and pleasing. The dinners have grown from a few friends to many and the mere preparation for the event has been arduous.

Last week at the dinner Mr. King presented to the group the great Oscar of the Waldorf, celebrated in arranging menus and supervising the celebrated banquets of his hostelry. He made a brief but appropriate response.

President McAndless Honored

This year the dinner was given in honor of President A. J. McAndless of Lincoln National, recently elected head of the American Life Convention. Sitting at the head table were Insurance Commissioner Viehmann of Indiana, President D. E. Bradshaw, Woodmen of the World; President L. W. Douglas, Mutual Life; Insurance Superintendent Pink of New York; President Julian Price, Jefferson Standard Life; President J. A. McLain, Guardian Life; Vice-president H. R. Wilson, American United Life; President W. T. Grant, Business Men's Assurance, President H. K. Lindsley, Farmers & Bankers Life; Second Vice-president Samuel Milligan, Metropolitan Life.

Loyal Protective's 3-Point Program for Employees

Loyal Protective Life has announced a cost of living bonus for home office and salaried branch office employees and also a contributory pension plan to supplement the social security program and a hospitalization and hospital expense plan, participation in the latter two being voluntary.

The cost of living bonus will be payable quarterly at the rate of \$5 per month for service after one year. For a period of service between six months



Another Acacia First!

TO an already long list of "firsts" Acacia now adds its simplified and flexible estate settlement agreement . . . the Acacia Planned Security. Acclaimed as "the most far-reaching life insurance development in the past decade," Acacia's Planned Security is an outstanding example of the tools which the company gives its agents in helping them build sales.

This concise estate settlement agreement has given Acacia agents a plan that clients can understand . . . a plan which, through freedom from red-tape and legal complexities, makes selling easy. A need felt by the entire life insurance field has been filled by Acacia . . . first! Far-sighted vision and constant progress make Acacia Mutual a company worth working for.



William Montgomery, President

HOME OFFICE, WASHINGTON, D. C.

CHARTERED BY CONGRESS 1869

Presidents Meeting Reflects War Status

(CONTINUED FROM PAGE 2)

shown a most generous consideration for the problems, the operating results and the growth of small companies. One of the milestones, he said, in that report is the fact that "it recommends that the last stigma of distinction between a preliminary term company and a net level company be eliminated from the law."

G. W. Bourke's Address

G. W. Bourke, chief actuary of Sun Life of Canada, who now is president of the Canadian Life Officers Association, spoke for that body. He was an honor student of McGill University in mathematics and physics. Mr. Bourke had changed his manuscript since he wrote it, owing to the new developments in the war situation. He said that on this continent insurance legislation has been conceived on the sound basis of the public advantage. Criticism and friendly comment have been freely sought by legislative bodies and as freely given. He referred to the splendid manner in which the insurance companies in Canada have undertaken their war-time responsibilities. They have fully supported the government loans, not only with their funds but through their agency organizations which in the last war loan campaign gave their full time services. Mr. Bourke said, "In my country as in yours we have always felt that there should be no problem which cannot be solved by tolerance, and discussion with our neighbors. If it defeats intolerance, force and brutality which attempt to make free associations impossible, then we are prepared to fight wherever necessary in order to defend our principles and the freedom of those who are standing with us to maintain our particular way of life."

Fraternal Congress Speaker

In the last year or so the National Fraternal Congress has been recognized on the platform of the Life Presidents Association meetings. The congress is composed of legal reserve fraternalists. This year T. R. Heaney of Chicago, the president, spoke for his organization. For over 40 years he has been connected with the Catholic Order of Foresters and since 1930 has been high secretary. Mr. Heaney said that no one can dispute the fact that the life insurance system is the leading and most important development of the nation during the last half century.

The Institute of Life Insurance had as its spokesman Holgar J. Johnson. He formerly was general agent of Penn Mutual Life at Pittsburgh and, therefore, he brought to his organization a distinctly field view. Mr. Johnson said there is a growing realization today of the importance of management. This is especially true, he said, in such periods of economic and social uncertainty. It is then that management is tested to its fullest capacity to meet changing conditions and uncertainty. He said that the life insurance business under its able leadership has performed exceedingly well. He said: "All its performance has been superb. It has at times proceeded on the theory that performance is enough, whereas today it is necessary to be articulate and let the public know how well the business performs."

John Witherspoon's Remarks

John A. Witherspoon, general agent of John Hancock Mutual Life at Nashville, president of the National Association of Life Insurance Underwriters, was the speaker for that body. He has been in the life insurance business for 19 years and has been for a number of years general agent. He said that he spoke for 34,000 field men throughout the country who constitute the membership of his association. He told about the life men selling defense bonds and rendering other service to the government. The National association ap-

pointed a special committee for national defense savings. He said that nearly 4,000,000 employees in more than 2,000 firms have been contacted by the 3,000 volunteer life salesmen selling national defense bonds and the result has been that \$3,000,000 of those securities have been sold. He was gratified at the work of the Life Agency Officers' committee that is considering and undoubtedly will produce an intermediate training course for agents. He said that it is a big undertaking but, he added, it will fill a definite need between company training plans and the higher learning required for the C. L. U. designation.

Committees Are Appointed

Chairman Arnold appointed as a resolutions committee Byron K. Elliott, John Hancock Mutual, chairman; C. S. V. Branch, Sun Life of Montreal; A. E. Brosmith, Travelers; L. M. Dawson,

Mutual Life; H. S. Weaver, Mutual Benefit Life; W. C. Safford, Western & Southern Life; G. E. Selser, U. S. Life, and E. A. Roberts, Minnesota Mutual. The nominating committee consisted of F. D. Russell, Security Mutual Life of N. Y., chairman; A. A. Rydgren, Continental American Life; B. H. Walker, Life of Virginia. The same officers were reelected and the same members of the executive committee that served during the year. Manager V. P. Whitsitt, manager and general counsel, is also chairman of the executive committee.

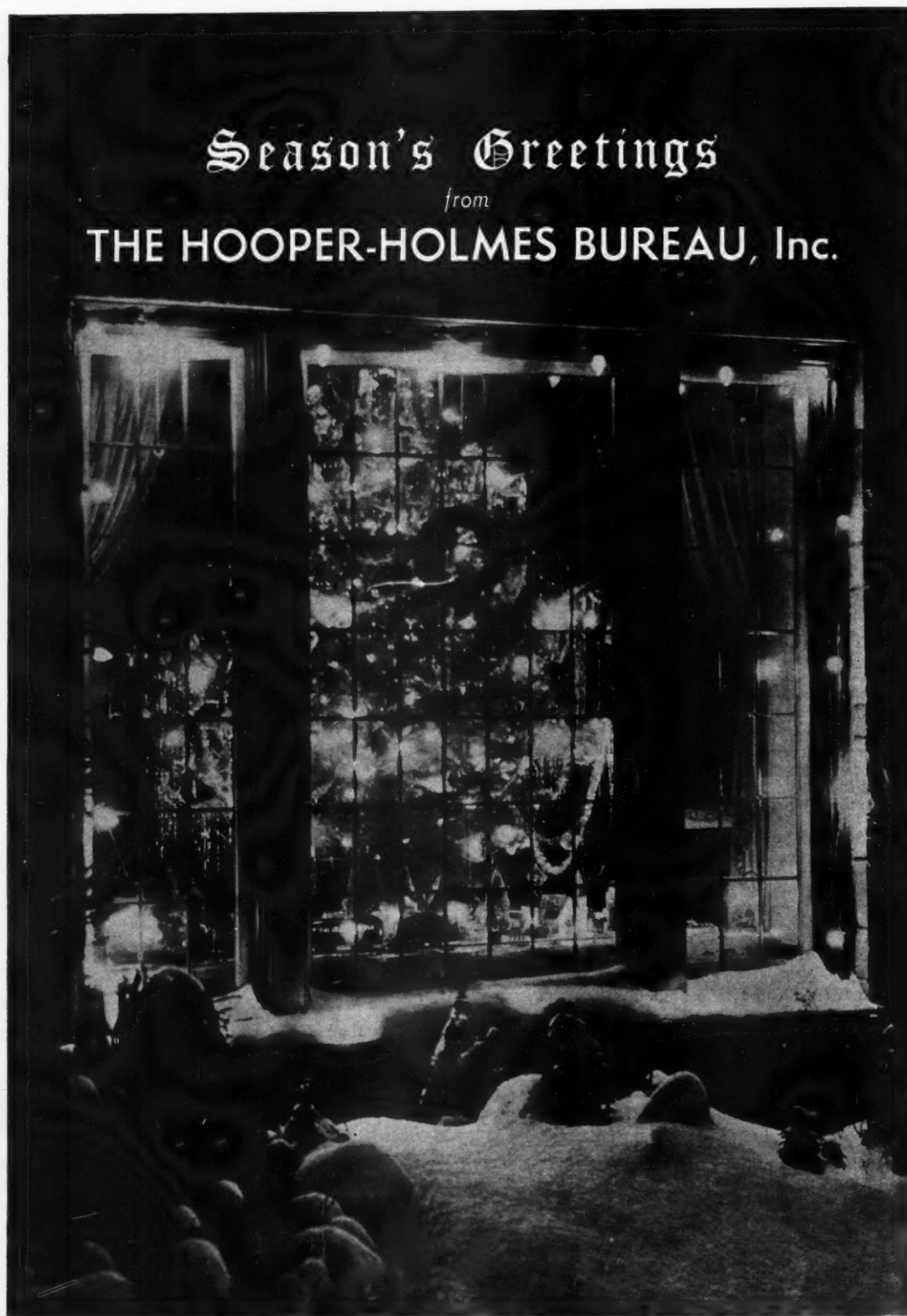
KEESLING'S PAPER

At the session Thursday afternoon F. V. Keesling, president and general counsel of West Coast Life, was the first speaker. He is eminent in the legal profession, is prominent in life insurance administration and has achieved even greater eminence in his various outside activities. He is a former president

of the American Life Convention and former chairman of the Legal Section of that body. Ever since 1936 he has been president of the San Francisco Y. M. C. A. He has served as chairman of committees that have to do with drafting a new city and county charter in San Francisco and was head of the committee of state organizations which recommended a sweeping reorganization of government. Mr. Keesling in a very forceful way called attention to some of the internal forces that are weakening public morale and government righteousness. His subject was "Moral Hazards in Relation to Democracy." One of the big points that Mr. Keesling made was the effect of the direct primary system of election.

Weidenborner Is Heard

The agency executive address this year was given by F. F. Weidenborner, agency vice-president of Guardian Life. He has been connected with the agency side of the business for some 22 years. He has been particularly interested in



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the educational side of life insurance producers. That is, he is ambitious to raise the professional standard of field forces.

He started his life insurance career as an agent for Provident Mutual Life in St. Paul. He graduated from the old School of Life Insurance Salesmanship at Carnegie, becoming one of its first graduates. He again took up the rate book and in 1924 he became agency assistant at the home office of Guardian Life. He was chairman of the agency section of the American Life Convention and presided at its annual meeting in Chicago last October.

Commissioner Hobbs' Talk

C. F. Hobbs, insurance commissioner of Kansas, who is president of the National Association of Insurance Commissioners, was the last speaker of the session. He and Chairman Arnold evidently are on very intimate terms as the latter referred to the early association and called him familiarly "Charley Hobbs." Mr. Hobbs was elected president at the annual meeting of his organization at Detroit last June. He surprised even his friends by his tact and ease in presiding. He presented a paper giving some of the problems of supervision in the national emergency, which in many ways, was a classic. Mr. Hobbs is a commissioner who tries to be eminently fair and possesses the type of courage in public office that is most desirable.

Telegrams of Regret

At the opening of the Friday morning session Chairman Arnold in mentioning the program changes read a telegram from Governor Stassen which concluded with "I shall look forward to meeting the men of your association on some future day's peace." Chairman Arnold stated that it was a matter of particular regret to him and to President T. A. Phillips of Minnesota Mutual Life that their own governor could not be present. "He is a young man whose future is to be watched with interest," Mr. Arnold remarked.

He read also a telegram from Senator Bridges and from Editor Freeman, both expressing their regret that the sudden demands of the hour made it impossible for them to be present.

CANADIAN SPEAKS

A. N. Mitchell, scholarly president of Canada Life was the first speaker Friday morning. He was chosen as president three years ago, having been its general manager. He is a former president of the Canadian Life Officers Association and three years ago he appeared on the President's program for that body. In his early days Mr. Mitchell was in newspaper work and then went with Manufacturers Life as its advertising manager. He has been 26 years with Canada Life. He is a director of the Canadian Bank of Commerce and National Trust Company of Toronto. He was one of the founders of the Association of Life Agency Officers some 25 years ago and acted as chairman of its executive committee later on.

Gives Results During War

After addressing the hearers as "Mr. Chairman, ladies and gentlemen," he said that he desired to revise it and his greeting was to "Friends and Allies." He dealt largely with the war efforts of British and Canadian life companies, giving highlights on their results. Statistical tables will be appended in the report of the proceedings to his comprehensive paper. He had touched on this subject for the Association of Life Agency Officers that met in Toronto, but he brought the subject up to date by presenting more detailed war clauses and results. The applause that greeted Mr. Mitchell on leaving the rostrum was indicative of the profound interest that his hearers felt in the subject and their

gratification at the way the life companies are meeting war conditions.

The investment speaker this year was President E. S. Brigham of National Life of Vermont. Chairman Arnold said that the investment of life insurance funds is in the best of times a complex task. Today, he added, the difficulties of prudent investment are increased manifold. Mr. Brigham has made a notable contribution, not only to insurance, but to other activities. For instance, Chairman Arnold said that his achievement in breeding fine cattle has

attracted wide attention within and without Vermont. He served as commissioner of agriculture of Vermont, was a member of the advisory committee on national agricultural problems. During the first world war he assisted in the work of the U. S. food administration and was a member of the division of perishables. For six years he was a member of Congress. He has identified himself with many other public works.

Mr. Brigham's paper will be far more valuable as a basis for reading and study than it was in its spoken form. Statis-

tics are usually dry and it is difficult to dramatize investments. In a masterful way he summed up the investment situation in life insurance, showing the changes in ratios of different kinds of investments during the last few years. He presented extensive data and his material will be pretty much a reference work.

Defense Bond Speaker

W. C. FitzGibbons, U. S. Treasury Department, who was to have spoken the day before, followed President Brig-

Defense Savings Pay-Roll Allotment Plan

How company heads can help their country, their employees, and themselves

voluntary pay-roll allotment plan helps workers provide for the future helps build future buying power helps defend America today

This is no charity plea. It is a sound business proposition that vitally concerns the present and future welfare of your company, your employees, and yourself.

During the post-war period of readjustment, you may be faced with the unpleasant necessity of turning employees out into a confused and cheerless world. But you, as an employer, can do something now to help shape the destinies of your people. Scores of business heads have adopted the Voluntary Pay-roll Allotment Plan as a simple and easy way for every worker in the land to start a systematic and continuous Defense Savings program.

Many benefits . . . present and future. It is more than a sensible step toward reducing the ranks of the post-war needy. It will help spread financial participation in National Defense among all of America's wage earners.

The widespread use of this plan will materially retard inflation. It will "store" part of our pyramiding national income that would otherwise be spent as fast as it's earned, increasing the demand for our diminishing supply of consumer goods.

And don't overlook the immediate benefit . . . money for defense materials, quickly, continuously, willingly.

Let's do it the American way! America's talent for working out emergency problems, democratically, is being tested today. As always, we will work it out, without pressure or coercion . . . in that old American way; each businessman strengthening his own house; not waiting for his neighbor to do it. That custom has, throughout history, enabled America to get things done of its own free will.

In emergencies, America doesn't do things "hit-or-miss." We would get there eventually if we just left it to everybody's whim to buy Defense Bonds when they thought of it. But we're a nation of businessmen who understand that the way to get a thing done is to systematize the operation. That is why so many employers are getting back of this Voluntary Savings Plan.

Like most efficient systems, it is amazingly simple. All you have to do is offer your employees the convenience of having a fixed sum allotted, from each pay envelope, to the purchase of Defense Bonds. The employer holds these funds in a separate bank account, and delivers a Bond to the employee each time his allotments accumulate to a sufficient amount.

Each employee who chooses to start this savings plan decides for himself the denomination of the Bonds to be purchased and the amount to be allotted from his wages each pay day.

How big does a company have to be? From three employees on up. Size has nothing to do with it. It works equally well in stores, schools, publishing houses, factories, or banks. This whole idea of pay-roll allotment has been evolved by businessmen in cooperation with the Treasury Department. Each organization adopts its own simple, efficient application of the idea in accordance with the needs of its own set-up.

No chore at all. The system is so simple that A. T. & T. uses exactly the same easy card system that is being used by hundreds of companies having fewer than 25 employees! It is simple enough to be handled by a check-mark on a card each pay day.

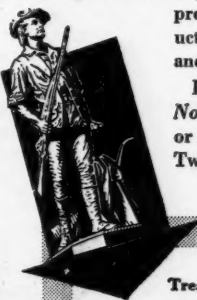
Plenty of help available. Although this is your plan when you put it into effect, the Treasury Department is ready and willing to give you all kinds of help. Local civilian committees in 48 States are set up to have experienced men work with you just as much as you want them to, and no more.

Truly, about all you have to do is to indicate your willingness to get your organization started. We will supply most of the necessary material, and no end of help.

The first step is to take a closer look. Sending in the coupon in no way obligates you to install the Plan. It will simply give you a chance to scrutinize the available material and see what other companies are already doing. It will bring you samples of literature explaining the benefits to employees and describing the various denominations of Defense Savings Bonds that can be purchased through the Plan.

Sending the coupon does nothing more than signify that you are anxious to do something to help keep your people off relief when defense production sloughs off; something to enable all wage earners to participate in financing Defense; something to provide tomorrow's buying power for your products; something to get money right now for guns and tanks and planes and ships.

France left it to "hit-or-miss" . . . and missed. Now is the time for you to act! Mail the coupon or write Treasury Department, Section A, 709 Twelfth St. NW., Washington, D. C.



FREE - NO OBLIGATION

Treasury Department, Section A,
709 Twelfth St. NW., Washington, D. C.

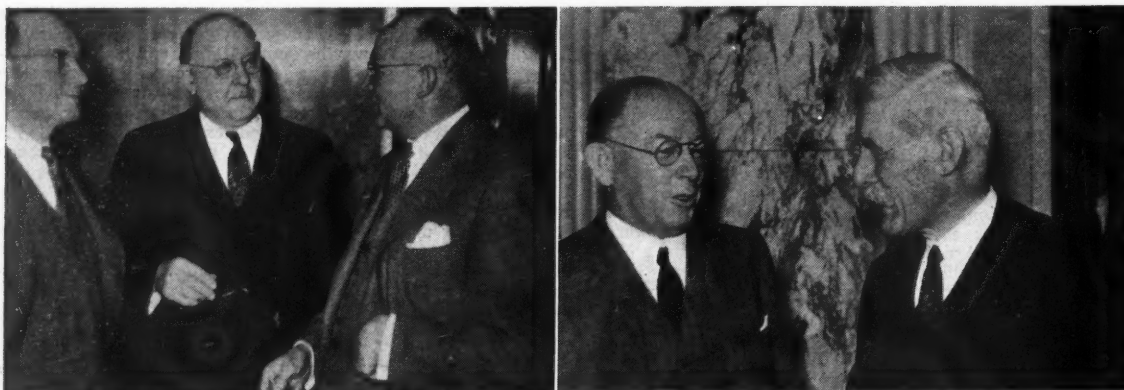
Please send me the free kit of material being used by companies that have installed the Voluntary Defense Savings Pay-Roll Allotment Plan.

Name _____

Position _____

Company _____

Address _____



Viewed at Life Presidents Association's New York gathering: Frank Rowland, executive secretary Life Office Management Association; Harry A. Hopf, internationally known management engineer; A. J. McAndless, president of Lincoln National Life and of the American Life Convention; George Willard Smith, president New England Mutual, and John R. Hardin, president of Mutual Benefit Life.

ham. He gave a sort of evangelical talk on defense savings bonds which in a measure disappointed his audience inasmuch as his listeners were eager to get some information as to how the work was proceeding, how it was mapped out, what were the sales methods. Instead, the speaker spent most of his time in urging life companies to buy defense bonds and officials and employees to do so.

Chairman Arnold in commenting on the address said that he could assure the government and the Treasury that they will have the unstinted support in the sale of defense bonds. He said, "We are alive to the necessities of the situation and I think I can add that we realize also the necessity of doing something about it. We will see that that is done so far as it lies within our power."

COLORFUL SESSION

The Friday afternoon session was an all-outside affair inasmuch as the three speakers were not identified with insurance, but they brought to the association a viewpoint that kept all in rapt attention. Linton Wells, distinguished newspaperman and war correspondent, was the first on the program. He has circled the globe 12 times and for several years held the record for circumnavigating it in 28 days. He has represented all top news services in his world travels. He was radio's first roving reporter in this country. He has been heard on the Magic Key program of R. C. A. and has been commentator for two seasons on the "Ford Summer Hour."

He wrote a book, "Blood on the Moon," which was one of the best sellers in 1937, dealing in part with the far east.

Inasmuch as Mr. Wells had first hand knowledge in that area, he devoted his address largely to giving his impressions of the situation in Hawaii, the Philippines, Japan, China and southern Asia. He also was in Russia for some years and gave some observations on the situation there. It was enlightening to get the opinion of a newspaperman on censorship who has encountered it in all its forms. He said that he does not object to censorship in these perilous times and he added that the government certainly would be subject to great censure if it revealed all that it knew. He said that Japan entered this war virtually bankrupt as a consequence of 10 or 11 years of aggression. It entered the conflict, he said, in absolute desperation. Japan has done this, he added, in order to save what she calls her face. To the Oriental, Mr. Wells said, face is an all important thing. It is part of his innate philosophy. In his opinion he does not believe that Hongkong can be saved. He said, however, that he does not believe the Philippine Islands will ever be conquered by the Japanese.

He referred to the danger of some 1,400 islands in the South Pacific that

are under the control of Japan which he asserted are a menace to Pacific shipping of the United States, to its communications with the far east as they make excellent harbors and it would take a greater fleet than the United States has available at this time to clean them up. Mr. Wells said that it may be for reasons of expediency that the Russians are laying off for the moment from changing their policy toward Japan, but he firmly believes that when and if British and the United States governments say to Stalin, "We want you to go into action in the far east" the mighty Soviet force will respond. Because of his earnest address Mr. Wells received prolonged applause.

EDUCATION AND DEFENSE

The next speaker, Dr. W. H. Cowley, president of Hamilton College, dealt with "Education and National Defense." The audience was aroused over what Mr. Wells had revealed and war talk was the conversation of the hour. He followed a dramatic address. However, Dr. Cowley probably surprised himself by the way the audience treated him at the close because he was forced to rise two or three times and acknowledge continual applause. Perhaps Dr. Cowley did not realize that he was making such a hit.

He is a Dartmouth man. After a year in the Bell Laboratories he entered the graduate school of the University of Chicago and in 1929 he became a member of the faculty of Ohio State University and distinguished himself there in the field of educational research for nearly a decade. He was professor of psychology and resigned to become president of Hamilton College in 1938. Chairman Arnold stated that a year or so ago an effort was made to get him to resign at Hamilton and become president of the University of Minnesota.

Eminent in Research

Dr. Cowley is eminent as a research man. He said that many thinkers are today querying whether or not education has not in part been responsible for the situation in which the United States now finds itself and whether or not education does not have a tremendous responsibility for the future. He said that the university idea has been to train specialists to meet the problems of society. The idea was to develop this country's greatest research institutions.

Three Concepts Revealed

The speaker said that when the university's main idea is examined as it is today it will be discovered that there are some university concepts that are literally undermining civilization. One such conception he called "researchism." The members of a university faculty, he said, are so engrossed in research work that they have lost the capacity to teach. Great teachers are not recognized by the universities as such. It is the research

men that get the advancement and the honorary degrees. Pupils in universities, he said, have lost the personal contact of professors because they are absorbed in delving into the depths rather than studying how to present their subjects in the graphic and impressive way to the students that will do the most good.

"We are knighting the research man," he said, "and we are not knighting the men who are sending out into our society cultivated, educated men aware of the history of our culture, aware of what our civilization stands for. Research men don't do that. Research men are concerned with a narrow sector of life and give all their interests and energy to that." He said that researchism has gripped the faculties of universities so that a real teacher has no status. "A man who is concerned with putting into the minds of our youth the essence of our culture is not respected in our colleges. We are fascinated by researchism."

Comment on Specialism

The second concept he called "Specialism" and he said, "it is a philosophy that believes the way to train people for society is as early as possible to make specialists of them. Specialism as a philosophy, he said, asserts that breadth of education is not important or relatively unimportant, and that the sooner you specialize a man for his specific function in society, the better."

The third concept with which he dealt was "impersonalism." The individual counts for nothing, he said, in large institutions, and even in the small ones. "We have developed a philosophy," he

BERKSHIRE LIFE'S CONTRIBUTION TO THE DEFENSE OF DEMOCRACY

In times of war and disaster thoughts should be turned from the uncomfortable present to the promise of the future. Ever alive to the necessity of preparing for that future, Berkshire Life General Agents and Associates have been successful in effecting an increase of 30% in new paid business as of December 1st.

This splendid achievement has a meaning far greater than an increase of business on the company books. It points to the fact that through life insurance, and not through idle words, many more thousands of policyowners have taken definite steps to demonstrate the essential character of the destiny they propose to achieve for the generations which will follow our own.

The Berkshire will continue to play its part in the present defense of America's fundamental concepts of government and liberty.

Ask any **BERKSHIRE Associate**
LIFE INSURANCE COMPANY
 INCORPORATED 1851
 FRED. H. RHODES, President
 PITTSFIELD, MASS.

said, "taken directly from Germany that the individual is unimportant." The German system has been imported here, as Dr. Cowley put it, "so what the student did from the time he matriculated to the time he graduated no German professor knew or cared about except that he and his special student worked on his thesis." He said the philosophy of impersonalism is dominating the minds of the great majority of college administrators and presidents.

Dr. Hutchins Criticized

He criticized President Hutchins of the University of Chicago as the chief exponent of impersonalism. Dr. Hutchins believes that the function of the college is to train the minds of students and nothing else. He goes so far as to say that any problems of emotion, moral, social or physical education should be left to the Boy Scouts and the Junior League. Dr. Cowley said that the time has come in American education for calling attention to some of these great evils. "Obviously in this wartime we are immediately concerned with the consideration of universities in their relationship to national defense and in that they will not fail the country," he declared. "But we are also defending a culture and in defending that culture we must be aware, or so it seems to me, of these unfortunate points of view which are sapping the vitality of all education."

LOUD SPEAKER

The last speaker was a colorful dynamic man with a tremendous voice who used it to his utmost capacity when he became earnest so that at times it was almost impossible to catch what he was saying. He was Frank Gervasi, associate editor of "Colliers," war correspondent, news commentator and writer. He acknowledged that he had been a police reporter and worked up rather than starting at the top and working down, because, he said, in this way, he got in close touch with the people in the more lowly walks of life. Mr. Gervasi evidently believes that the United States should move immediately in taking over Martinique Island, Dakar and the west coast of Africa. He said the railroad should be completed from Capetown to Cairo so that men and supplies could be taken anywhere along the way without delay.

Great Battle Will Be in Asia

In his opinion the great critical battle-field will be the southern part of Asia where there are immense resources and he urged that an expedition of American forces and supplies be sent there without delay. He said that the middle east is highly important because if that goes all of the oil will go. He said that it is the oil of the middle east that keeps the British fleet in the Mediterranean and the merchant fleet of the United States afloat in the Red Sea. He doesn't think that Hitler needs oil, but is endeavoring to keep it from Great Britain. He characterized the Japanese as the "Italians of the Far East."

The British, he said, have not a great number of men with a highly developed aptitude for mechanics and that has been one of their greatest failings. They are not so gifted with organizing power. The United States, he said, has organization ability and the mechanical aptitude. It has the men who have these characteristics in greater numbers than anybody else. He does not believe that the people who are natives of India can be relied on because they have not the physical strength and are not the mental, physical, mechanically apt kind of people that are needed to operate the modern weapons. All of them, he said, are stratified into religious layers. The Americans, he said, are the only vital people left in this world.

The speaker said, "Our frontiers are not just the west coast of the United

States, not California. Our frontiers are in the deserts of the land of Arabia. Our frontiers are in Burma, the north-western frontiers of India, too. Because these frontiers are so far away we must think about communications." In conclusion the speaker said:

Great Work in the Philippines

"When you travel through Araby and India, you can feel the hatred between the black man and the white man. It is as palpable and as real to me as anything can be. You can go to sleep nights not knowing whether that guy outside of the door is going to sneak in and slit your throat. They don't speak your language. They don't speak English. They don't speak the language of their British dominators."

"But in the Philippines, the majority of these people do speak our language, because they have gone to our schools, and they think our thoughts because they have gone to our schools."

May Build New World

"And here is my argument: Those cynics who say that a new world cannot be built, that it is hopeless, have missed something that is awfully important. They have missed the fact that in these short years, in 43 years—not centuries

of imperialism but in 43 short years—we have been able with our vitality, our vital idea, to communicate to little brown men the idea of freedom and democracy. It just gives me a hunch that maybe with this war we can carry that flag to still further corners of this earth, and so lay a vast groundwork upon which we can build a new world, and build it our way."

Resolutions Adopted

Judge Elliott, chairman of the resolutions committee, presented the resolutions, the most significant being: "Resolved, that the convention reaffirms the sentiments and principles expressed in the message sent to the President of the United States pursuant to the resolution adopted by this convention."

"Resolved, that it is the sense of this convention that unqualified support of the government campaign for the sale of defense stamps and bonds is the duty of patriotic citizens and therefore to the success of this campaign the convention pledges its greatest efforts."

A surprise feature of the luncheon Thursday was Lucy Monroe's singing of "The Star Spangled Banner." Miss Monroe, known as the Star Spangled Banner girl, has made a specialty of singing the national anthem and has a record of many thousands of perform-

Great Relief Felt That '42 Is "Off" Year Legislatively

NEW YORK—During 1942 but eight states will hold regular legislative sessions, these including Kentucky, Louisiana, Mississippi, New York, New Jersey, Rhode Island, South Carolina and Virginia. This is in sharp contrast to the 43 states that held sessions during the present year, and should afford a degree of relief to insurance people who are kept on the anxious seat during legislative "on" years. It is fortunate that the energies of insurance will not be dissipated with the legislative work during the next few months when the business must exercise its greatest resourcefulness to meet the problems engendered by the war economy.

ances. She also sang "God Save the King" at the luncheon.

Order revised edition of "Life Insurance and Federal Tax Laws," prepared by Diamond Life Bulletins. 50c a copy. National Underwriter, 175 W. Jackson Blvd., Chicago.

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As an aid in winning friends and building prestige, the LNL man has the advantage of an unusual set of business novelties. These include banks, book ends, paperweights,

statuettes—all definite items of Lincolniana. Each is useful. Each is attractive. And above all, each carries the strongest possible company identification. They help LNL men build prestige.

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

Fort Wayne

Indiana

Geared To Help Its Fieldmen

Agents Need to Follow Abstruse Considerations

Non-Forfeiture Deliberations Can't Be Dismissed as Actuaries' Chore

Now that the joint committee of the Life Presidents Association and the American Life Convention have brought in a report agreeing with the Guertin committee that the reserve basis for determining nonforfeiture values should be different from that used in valuing a company's contract liabilities, there may be an assumption that this principle, when enacted into legislation, will remove the criticisms that have so frequently arisen from the public's misunderstanding of the function of the surrender charge.

Separation of the reserve basis for nonforfeiture benefits from that used for policy valuations would eliminate the need for surrender charges. The aggregate effect of what has been proposed would be to increase the companies' reserve liabilities by reason of a more conservative interest assumption and to increase nonforfeiture values as well, though not necessarily to the same extent.

Thus, while the term "surrender charge" with its unpleasant connotations is junked, it will not be long before the self-appointed critics seeking to profit by confusing the public and the well-meaning but technically uninformed seekers after justice discover that what the withdrawing policyholder gets back is still less than the legal reserve basis on which his policy is valued. There will be a tremendous effort to show that the companies, though abandoning the surrender charge, are accomplishing its purpose in an underhand way. Life companies and their agents are going to have a real job explaining the new basis to the public. It will fall largely on the field forces, as they constitute the point of personal contact with the public.

Reasoning Behind Proposal

It is essential to understand the reasoning behind the proposal for splitting the reserve basis as between nonforfeiture benefits and policy valuations.

First of all, as C. O. Shepherd, associate actuary of Travelers, pointed out at the hearing which a subcommittee of the commissioners' association held Dec. 6, the companies' aim in setting surrender value scales is to give the withdrawing policyholder all he is equitably entitled to without hurting the interests of the persisting policyholder. There is no desire to "hold out" on the man who wants to quit.

The problem is to ascertain the fair share of the company's assets which should be turned over to the withdrawing policyholder. To a much greater extent than is generally realized this is a matter of judgment. The so-called present value of the face amount of the contract may be a reasonable starting point but the primary purpose of this figure is to enable the company to be sure of having on hand adequate resources to meet the claim when it eventually matures.

Value of Surrendered Policy

Offhand it seems logical that when a policyholder withdraws and there is consequently no longer any possibility of a claim maturing under this policy he should receive the entire reserve that has been set up as the present value. It would seem that since there can be no

Christmas Bearer Check Scheme Makes Big Hit

The entire December payroll for Franklin Life, plus a Christmas gift of one week's pay will be distributed to employees in the form of "Merry Christmas" bearer checks which will be usable instead of currency. Thus, almost \$40,000 of Franklin Life money will be poured into Springfield purchasing channels during the pre-Christmas season.



President C. E. Becker presented with floral tribute by Mrs. Betty Durbin in name of Franklin employees after announcement of company Christmas gift amounting to one week's pay.

The scheme, as well as the bonus, was announced at a luncheon meeting attended by the 210 Franklin employees.

The checks have been prepared in denominations of one, five, and 10 dollars. Printed on a bright yellow background carrying a picture of the Franklin building, they are overprinted in Christmas red and green. A "Merry Christmas" frames the check proper.

In order to give the greatest distribution to the checks, and to enable employees to do their shopping conveniently, the Dec. 31 payroll has been moved up, and will be distributed Dec. 22. More than 20,000 individual checks will be distributed.

Employees will use the checks for all purchases during December. Springfield department stores say the checks will be particularly welcome.

Three Springfield banks will cooperate in redeeming the checks.

future value there is no further "present value."

The fundamental difficulty seems to lie in understanding that the present value of a surrendered policy may very well be different—and often is different—from that of the same policy if continued in force. To regard the individual policy's present value as its prorata share of all similar policies issued at the same age and of the same duration is a handy device but what the company really does is to set up reserves on an aggregate basis. The average "present value" is obviously too low in the case of the policyholder who has contracted a disease that will shortly prove fatal. It is too high in the case of the man who has taken excellent care of his health all his life and is in just as good shape as when he bought his insurance and works in a non-hazardous occupation.

Then there is the problem of liquidating assets to meet surrender demands. If policyholders in large numbers decide they want cash, as they did during the depression, it may mean that securities will have to be sold, possibly at sacrifice prices to meet the demand for cash. The asset shares taken out by these withdrawing policyholders obviously represent a greater payment by the company than if they occurred during a more normal investment market or in sufficiently small numbers so that securities would not have to be sold.

If a company could be certain that policyholders who wanted to quit would be fully up to the average of their age and policy duration and would not seek cash in unduly large numbers or at times when the securities market might be de-

pressed the present value of the policy reserve might be more readily followed as an absolute guide to equity in determining surrender values.

This factor of anti-selection, actual and potential, needs to be better understood by the public, which otherwise can be all too readily misled into thinking that anything less than the full legal reserve for the withdrawing policyholder constitutes an injustice.

Managers' Dinner a Hit

The New York City Life Managers Association's annual dinner in honor of the company officials in town for the Life Presidents Association convention proved highly successful. There was a lavish program of entertainment, preceded by a short talk by K. A. Luther, general agent Aetna Life and president of the association. Mr. Luther introduced Beatrice Jones, Equitable Society, president of the New York City Life Underwriters Association and the only woman present. Miss Jones made a very gracious response.

Osborne Bethea, general agent of Penn Mutual Life and immediate past president of the association, was called up to the stage to act as victim of a guillotine. The illusion was startling, for the de-

Balkema Names Hudson Detroit City Manager

DETROIT—E. P. Balkema, Michigan manager of Northwestern National Life, has established a city department and appointed Staff Hudson, who has been associate general agent of Aetna Life, as city manager in charge of production in the metropolitan area. This move will enable Mr. Balkema to devote more time to outside Michigan development.

Mr. Hudson has had more than 40 years of field and home office experience and has demonstrated his ability both as an executive and as a salesman. He has been with Aetna here eight years. Active in association work, he has been for several years a director of Qualified Life Underwriters and acted as general chairman for one of its sales congresses.

Mr. Balkema has also appointed E. G. Velthouse district manager in the Jackson territory. He is president of the Jackson Association of Life Underwriters, and has been assistant manager of Prudential there.

cending blade bisected a potato immediately under Mr. Bethea's neck, though leaving him unharmed.

NOT THE LIGHTHOUSE— but the Light

... and the faithful service of the lighthouse keeper. They guide the mariner on his course.

The friendly light of the Home Office, and its close personal interest are all-important to the man in the field.

To Union Mutual representatives there is not only a Home Office endeavor to back up their efforts in every way, but also the sales opportunities in three profitable forms of insurance—Life, Accident and Health.

UNION MUTUAL
Life Insurance Company
PORTLAND MAINE HOME OFFICE
ROLLAND E. IRISH, President

LIFE • ACCIDENT • HEALTH INSURANCE

Metropolitan's New Rates Shown Based on 2.75% Interest

The new Metropolitan ordinary department premiums are based on the American Men ultimate mortality table and 2.75 percent interest, as previously announced. The increase probably will average slightly over \$2 per \$1,000, considering all plans and ages. However, the increase in cash values is such that a lower guaranteed cost is shown for new forms if surrendered at the second or later years.

The several plans of family protection formerly issued have been replaced by one 20 year family income plan. An-

nual premium life or endowments with less than 20 premiums will not be issued except educational fund endowments.

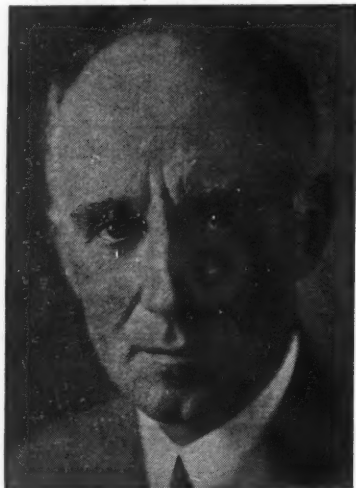
Retirement income is limited to ages 60 and 65 plans. No single premium endowment will be issued to mature in less than 20 years.

Among the new plans is a double protection to age 65 which provides \$2,000 insurance to age 65 and becomes paid up for \$1,000 at that time. Others are life policies with premiums to age 60 and age 65. Illustrative new premium rates per \$1,000 are:

Whole Life \$5,000	Whole Life up 85 \$14.65	20 Pay Life \$25.49	*Dbl. Prot. to 65 \$26.98	(a) Fam. Inc. (M.L.) \$25.19	Ret. Inc. Age 65 (M.L.) \$26.65	20 Year End. \$18.07	Life Pd.-up \$15.31	\$5 Year Term \$7.77	\$10 Year Term \$8.93
70.60	16.32	27.73	26.98	25.19	26.65	18.07	15.31	7.77	8.93
72.30	16.69	28.20	27.60	25.90	26.65	18.88	16.21	8.07	9.24
74.10	17.07	28.67	28.22	26.65	27.41	19.38	17.64	8.22	9.36
75.85	17.45	29.13	28.86	27.41	28.21	20.40	18.53	8.47	9.57
77.70	17.84	29.59	29.50	28.21	29.03	20.94	18.99	8.58	9.67
79.55	18.23	30.04	30.14	29.03	29.84	21.49	19.47	8.68	9.77
81.55	18.69	30.55	30.88	29.84	30.65	22.11	20.01	8.76	9.86
83.70	19.16	31.06	31.68	30.65	31.46	22.76	20.57	8.85	9.97
85.85	19.65	31.58	32.48	31.46	32.27	23.44	21.16	8.97	10.07
88.15	20.16	32.12	33.32	32.27	33.08	24.15	21.78	9.08	10.18
90.50	20.69	32.66	34.20	33.08	33.89	24.90	22.42	9.19	10.29
92.95	21.24	33.22	35.12	33.89	34.70	25.68	23.10	9.30	10.40
95.50	21.82	33.79	36.08	34.70	35.51	26.51	23.81	9.41	10.51
98.20	22.42	34.38	37.10	35.51	36.32	27.39	24.57	9.52	10.62
101.05	23.05	35.00	38.20	36.32	37.13	28.31	25.37	9.63	10.73
104.00	23.71	35.63	39.34	37.13	37.94	29.29	26.21	9.74	10.84
107.15	24.41	36.29	40.54	37.94	38.75	30.34	27.11	9.85	10.95
110.45	25.14	36.97	41.82	38.75	39.56	31.45	28.06	9.96	11.06
113.90	25.91	37.69	43.20	39.56	40.37	32.64	29.08	10.07	11.17
117.55	26.72	38.43	44.68	40.37	41.18	33.90	30.17	10.18	11.28
121.40	27.57	39.20	46.24	41.18	42.00	35.26	31.33	10.29	11.39
125.45	28.47	40.01	47.90	42.00	42.81	36.76	32.57	10.40	11.50
129.70	29.42	40.84	49.68	42.81	43.62	38.36	33.90	10.51	11.61
134.20	30.42	41.72	51.58	43.62	44.43	40.08	35.32	10.62	11.72
138.95	31.47	42.63	53.60	44.43	45.24	41.92	36.85	10.73	11.83
143.95	32.58	43.58	55.78	45.24	46.05	43.91	38.50	10.84	11.94
149.10	33.89	44.52	58.06	46.05	46.86	46.01	40.22	10.95	12.05
154.50	35.38	45.51	60.48	46.86	47.67	48.28	42.10	11.06	12.16
160.25	36.97	46.55	63.12	47.67	48.48	50.75	44.14	11.17	12.27
166.30	38.69	47.64	66.00	48.48	49.29	53.45	46.36	11.28	12.38
172.65	40.54	48.79	69.08	49.29	50.10	56.40	48.79	11.39	12.49
179.40	42.54	50.00	72.32	50.10	50.91	59.60	51.33	11.50	12.60
186.55	44.69	51.28	75.72	50.91	51.72	63.00	54.00	11.61	12.71
194.10	46.99	52.62	79.28	51.72	52.53	66.50	56.75	11.72	12.82
202.05	49.44	54.05	83.00	52.53	53.34	70.25	59.60	11.83	12.93
210.50	52.04	55.56	86.88	53.34	54.15	74.25	62.60	11.94	13.04
219.40	54.79	57.16	90.92	54.15	54.96	78.50	65.75	12.05	13.15
228.85	57.69	58.87	95.12	54.96	55.77	83.00	69.00	12.16	13.26
238.85	60.74	60.68	99.48	55.77	56.58	87.75	72.37	12.27	13.37
249.45	63.94	62.61	104.00	56.58	57.39	92.75	75.85	12.38	13.48
260.70	67.29	64.67	108.68	57.39	58.20	98.00	79.50	12.49	13.59
272.85	70.79	66.84	113.52	58.20	59.01	103.50	83.25	12.60	13.70
285.90	74.44	69.12	118.52	59.01	59.82	109.25	87.15	12.71	13.81
300.00	78.24	71.51	123.68	59.82	60.63	115.25	91.20	12.82	13.92
315.20	82.19	74.00	129.00	60.63	61.44	121.50	95.40	12.93	14.03
331.50	86.29	76.59	134.48	61.44	62.25	128.00	99.75	13.04	14.14
349.00	90.54	79.28	140.12	62.25	63.06	134.75	104.25	13.15	14.25
367.70	94.94	82.07	145.92	63.06	63.87	141.75	108.90	13.26	14.36
387.60	99.49	84.96	151.88	63.87	64.68	149.50	113.70	13.37	14.47
408.80	104.19	87.95	158.00	64.68	65.49	157.50	118.65	13.48	14.58
431.30	109.04	91.04	164.28	65.49	66.30	165.75	123.75	13.59	14.69
455.10	114.04	94.23	170.72	66.30	67.11	174.25	129.00	13.70	14.80
480.20	119.19	97.52	177.32	67.11	67.92	183.00	134.40	13.81	14.91
506.60	124.49	100.91	184.08	67.92	68.73	192.00	140.00	13.92	15.02
534.30	129.94	104.40	191.00	68.73	69.54	201.25	145.75	14.03	15.13
563.30	135.54	107.99	198.08	69.54	70.35	210.75	151.65	14.14	15.24
593.60	141.29	111.68	205.32	70.35	71.16	220.50	157.70	14.25	15.35
625.20	147.19	115.47	212.72	71.16	71.97	230.50	163.90	14.36	15.46
658.10	153.24	119.36	220.28	71.97	72.78	240.75	170.25	14.47	15.57
692.30	159.44	123.35	228.00	72.78	73.59	251.25	176.85	14.58	15.68
727.80	165.79	127.44	235.88	73.59	74.40	262.00	183.60	14.69	15.79
764.60	172.29	131.63	243.92	74.40	75.21	273.00	190.50	14.80	15.90
802.70	178.94	135.92	252.12	75.21	76.02	284.25	197.65	14.91	16.01
842.10	185.74	140.31	260.48	76.02	76.83	295.75	204.95	15.02	16.12
882.80	192.69	144.80	269.00	76.83	77.64	307.50	212.40	15.13	16.23
924.80	199.79	149.39	277.68	77.64	78.45	319.50	220.00	15.24	16.34
968.10	207.04	154.08	286.52	78.45	79.26	331.75	227.75	15.35	16.45
1012.70	214.44	158.87	295.52	79.26	80.07	344.25	235.65	15.46	16.56
1058.60	221.99	163.76	304.68	80.07	80.88	357.00	243.70	15.57	16.67
1105.80	229.69	168.75	314.00	80.88	81.69	370.00	251.90	15.68	16.78
1154.30	237.54	173.84	323.48	81.69	82.50	383.25	260.25	15.79	16.89
1204.10	245.54	179.03	333.12	82.50	83.31	396.75	268.75	15.90	17.00
1255.20	253.69	184.32	342.92	83.31	84.12	410.50	277.40	16.01	17.11
1307.60	261.99	189.71	352.88	84.12	84.93	424.50	286.20	16.12	17.22
1361.30	270.44	195.20	362.92	84.93	85.74	438.75	295.15	16.23	17.33
1416.30	279.04	200.79	373.12	85.74	86.55	453.25	304.25	16.34	17.44
1472.60	287.79	206.48	383.48	86.55	87.36	468.00	313.50	16.45	17.55
1530.20	296.69	212.27	393.92	87.36	88.17	483.00	322.90	16.56	17.66
1589.10	305.74	218.16	404.48	88.17	88.98	498.25	332.45	16.67	17.77
1649.30	314.94	224.15	415.12	88.98	89.79	513.75	342.15	16.78	17.88
1710.80	324.29	230.24	425.92	89.79	90.60	529.50	352.00	16.89	17.99
1773.60	333.79	236.43	436.88	90.60	91.41	545.50	362.00	17.00	18.10
1837.70	343.44	242.72	447.92	91.41	92.22	561.75	372.15	17.11	18.21
1903.10	353.24	249.11	459.12	92.22	93.03	578.25	382.45	17.22	18.32
1969.80	363.19	255.60	470.48	93.03	93.84	595.00	392.90	17.33	18.43
2037.80	373.29	262.19	481.92	93.84	94.65	612.00	403.50	17.44	18.54
2107.10	383.54	268.88	493.48	94.65	95.46	629.25	414.25	17.55	18.65
2177.70	393.94	275.67	505.12	95.46	96.27	646.75	425.15	17.66	18.76
2249.60	404.49	282.56	516.92	96.27	97.08	664.50	436.20	17.77	18.87
2322.80	415.19	289.65	528.88	97.08	97.89	682.50	447.40	17.88	18.98
2397.30	426.04	296.84	540.92	97.89	98.70	700.75	458.75	17.99	19.09
2473.10	437.04	304.13	553.12	98.70	99.51	719.25	470.25	18.10	19.20
2550.20	448.19	311.52	565.48	99.51	100.32	738.00	481.90	18.21	19.31
2628.60	459.49	319.01	577.92	100.32	101.13	757.00	493.70	18.32	19.42
2708.30	470.94	326.60	590.48	101.13	101.94	776.25	505.65	18.43	19.53
2789.30	482.54	334.29	603.12	101.94	102.75	795.75	517.75	18.54	19.64
2871.60	494.29	342.08	615.92	102.75	103.56	815.50	529.95	18.65	19.75
2955.10	506.19	349.97	628.88	103.56	104.37	835.50	542.30	18.76	19.86
3040.80	518.24	357.96	641.92	104.37	105.18	855.75	554.80	18.87	19.97
3127.70	530.44	366.05	655.12	105.18	105.99	876.25	567.45	18.98	20.08
3215.80	542.79	374.24	668.48	105.99	106.80	897.00	580.25	19.09	20.19
3305.10	555.29	382.53	681.92	106.80	107.61	918.00	593.20	19.20	20.30
3396.60	567.94	390.92	695.48	107.61	108.42	939.25	606.30	19.31	20.41
3489.30	580.74	399.41	709.12	108.42	109.23	960.75	619.55	19.42	20.52
3583.10	593.69	407.90	722.92	109.23	110.04	982.50	632.95	19.53	20.63
3678.10	606.79	416.49	736.88	110.04	110.85	1004.50	646.50	19.64	20.74
3774.30	619.94	425.18	750.92	110.85	111.66	1026.75	660.15	19.75	20.85
3871.60	633.24	433.97	765.12	111.66	112.47	1049.25	673.95	19.86	20.96
3970.10	646.69	442.86	779.48	112.47	113.28	1072.00	687.80	19.97	21.07
4069.80	660.29	451.85	794.00	113.28	114.09	1095.00	701.80	20.08	21.18
4170.70	674.04	460.94	808.68	114.09	114.90	1118.1			

John Hancock Has Biggest Day with 4,800 "Apps"

The birthday party which General Agent William M. Houze of John Hancock Mutual in Chicago has been giving for many years was a particularly happy occasion this year because the agency in the contest period from Nov. 24 to Dec. 10 had produced the remarkable volume of 199 cases for \$4,106,350. This represented the performance of about 100



W. M. HOUZE

producers. There were 173 ordinary cases for \$2,001,127; 20 annuities for \$416,193 and eight group cases for \$1,689,030.

There were about 150 at the dinner which was held in the Union League Club. Mr. Houze is always a splendid host and these parties always include a large number of friends in the business outside the agency as well as the organization itself.

The home office was represented by Frank Keefe, head of the underwriting department, who told of the great activity of John Hancock a week ago Monday. On that day there were received at the John Hancock home office 4800 applications. That was the largest number of applications ever received on one day at the home office. The normal flow is about 1,500 a day. That was the day that United States declared war on Japan and the next day John Hancock was to start attaching war clauses.

John Hancock sent out to the field force circulars announcing the decision on war clauses prior to the Japanese attack. These circulars went out a day later than had originally been intended. Had they gone out according to the original schedule, John Hancock would have come out with its war clause on the very day that war was declared. As it was, the war clause went into effect the day after war was declared.

James M. Clark, general agent at Peoria, Ill., for John Hancock, was the toastmaster. He is particularly close to Mr. Houze and he performed his assignment with real affection. The leaders in the contest period were seated at the head table and they took a bow. Milton A. Goldstandt, member of the Million Dollar Round Table who joined the Houze agency only last Sept. 1, was the leader in volume. Mr. Goldstandt expects to close this year with a \$2,000,000 production record.

Then there was W. T. Cline of the Conkling, Price & Webb agency which became affiliated with the Houze agency this year. Mr. Cline was the leading producer of Conkling, Price & Webb. Then there was Emil W. Lindvall of Waukegan, Ill., leader in number of applications.

While Mr. Cline was on his feet he took occasion to introduce James Jennings, who is head of the White Construction Company of Chicago and is a famed story teller. Mr. Jennings obliged

New Educational Program Endorsed

Institutional Project to Be Launched by Company and Agent Bodies

The expanding and unifying of educational facilities for life salesmen was discussed by the trustees of the National Association of Life Underwriters at New York last week. Earl Colborn, past chairman of the committee on training, and Roy Ray Roberts of Los Angeles, present chairman, reviewed the study made by the Life Agency Officers' committee on training and its tentatively recommended program. This study has been in progress for the past year, as a result of the underwriters' recommendation that the companies sponsor jointly an educational program, institutional in nature and administration.

The trustees of the National association adopted a motion enthusiastically endorsing in general the recommendations of the Agency Officers' committee, and urging that the proposed program be put in operation promptly. The trustees agreed that this is one of the most important measures to be adopted by the business in many years.

Reference was made to the widespread interest in expanding the educational facilities and it was noted that a majority of the 360 local associations have sponsored study groups, and over 4,000 agents have taken courses of study in recent years.

The committee on training, headed by Chester O. Fischer, reported its findings and reviewed its revised recommendations at a called meeting at New York, Dec. 11, attended by members of the committee, representatives of the National association, headed by President John A. Witherspoon, and executive committeemen of the Association of Life Agency Officers.

A project of such import must, necessarily, progress with caution. Such attitude has guided the deliberations of the training committee. Its final report has now been approved and will be submitted in writing to the executive committee of the Life Agency Officers, for transmittal to members of that association.

In general it is proposed that the institutional program will be directed by a board made up of members of these two groups. There will be prepared text materials. A director will be engaged for attention to managerial responsibilities. It is proposed that the unified educational facilities be made available as quickly as possible to underwriters throughout the United States and Canada. Toward this end the full cooperation of the National association has been assured.

in most diverting style. Others from the head table who spoke a word in appreciation of Mr. Houze were Lew H. Webb and L. W. Zonzius of the Conkling, Price & Webb agency; Edward Brennan, regional supervisor of district agencies of John Hancock; W. C. Perry, Retail Credit Company, Vice-President Miller of City National Bank and Thomas Bedell, Mr. Houze's son-in-law. There were a large number of telegrams and letters including a message from President Guy Cox of John Hancock, John Witherspoon, John Hancock, Nashville, president National Association of Life Underwriters, and Robert Williams, Little Rock, president John Hancock General Agents Association. There was a wire from New York signed by seven prominent agency executives, they being W. F. Winterble, Equitable Life of Iowa; W. K. Wise, Provident Mutual; H. A. H. Baker, Great-West Life; F. H. Haviland, Connecticut General; A. E. Patterson, Mutual Life; S. T. Whatley, Aetna Life, and C. O. Fischer, Massachusetts Mutual.



OUR CHRISTMAS WISH FOR YOU
IS SIMPLE . . .

It is this: that the coming year
measure out to you in generous portions,
wisdom for your work, friends
for your fireside, health and happiness.



State Mutual Life Assurance Company
of Worcester, Massachusetts

INCORPORATED 1844



Rugged as New England's Rock Bound Coast



A NEW PLAN

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\$50 a month at age 65, guaranteed as long as you live, and if you die before 65—

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Easy to understand—easy to own—easy to sell—the new Fidelity Three-Fold Security plan meets the insurance needs of the vast middle income group.

The FIDELITY MUTUAL LIFE
INSURANCE COMPANY
PHILADELPHIA
WALTER LEMAR TALBOT, President

Tips on Proceeding in Time of Tax Rises Given

Social security taxes may be increased—even possibly doubled—and taxes on incomes, particularly those up to \$10,000, probably will be advanced in the government's effort to secure additional revenue and curb inflation, David Stock, nationally known attorney and tax authority of New York City, told a joint meeting of the Cincinnati Life Underwriters Association with attorneys, trust officers and accountants. He spoke on "How Tax Laws Affect Your Clients."

Taxes on incomes of \$50,000 and over were greatly increased some years ago, he said, and those on incomes of \$10,000 to \$50,000 recently were raised. Now it is time for those in the smaller income brackets to pay an increased share.

For example, he said, the old tax on a \$7,000 income was 8 percent, now it is 17 percent; the old tax on a \$10,000 income was 9 percent, now it is 25 percent; the old tax on a \$25,000 income was 21 percent, now it is 48 percent. In other words, a \$10,000 man is now in the tax bracket formerly occupied by the \$25,000 man. Meanwhile, estate taxes have increased about 50 percent.

Vacillation in Taxing

Mr. Stock reviewed the vacillation of the Treasury in taxing insurance proceeds. First premium payments formed the criterion, then ownership, then both. Finally, in the Bailey case, premium payments were made the criterion.

There is a slight "sleeper" in one paragraph which would indicate the question of ownership might be brought up, he said. Therefore, wherever possible he urged that if insurance proceeds are to be made free from federal estate tax, it is well not only to have premium payments made by other than the insured, but also to have the insured relinquish all incidents of ownership.

"In fact the logical way is to tax the cash value on an ownership basis and to tax the excess of proceeds over cash values on a premium paying basis.

Warns Against "Smart" Tactics

"Don't try to be smart on taxes. If you run into a pension trust case where it is obvious that the employers are trying harder to save taxes than they are to set up a pension plan—pass them up and go on to another case. The criterion is: Are they trying to make a tax profit by setting up a pension trust, or are they really trying to set up a plan for the benefit of the employees?"

"Employees, of course, may include stockholders, or any group, such as those making over \$5,000 a year, or over \$3,000 a year. Because a man is a stockholder, it doesn't mean that he can't come under a pension trust plan. But, don't try to set up a plan which has for its main purpose the siphoning of profits into the hands of a few stockholders."

In a question and answer period it was brought out that it is quite probable a corporation may buy an annuity for a retired person and yet have the annuity payment deductible as an expense. The law says "for services rendered," and that does not necessarily mean for services rendered during the current year. It may mean services rendered over a period of 20 or 30 years, Mr. Stock explained.

Question of Premium Payment

He was asked what constitutes "direct or indirect" premium payments, and said the burden of proof always is on the taxpayer. The Treasury always could call for taxes, thus leaving it up to the taxpayer to show that premium payments had not been made directly or indirectly by the deceased insured. In general, the second party must control both the principal and income if he is to buy insurance on another and have the proceeds tax free. Otherwise the government may claim the insured made the gift with the distinct understanding

the second party would buy insurance.

Mr. Stock suggested that to be certain there would be no tax to the employee under a pension plan, it is possible for the company to buy a life annuity with no refund or death benefit. Thus, unless an employee lives to receive payment, there will be no tax and at his death, since he left nothing to his family, there would be no tax. Also under this plan the actual retirement income payable would be larger than under a plan including life insurance.

Only Test Is in Practice

The question was asked whether it is possible to get a tentative acceptance of a proposed pension plan from the internal revenue department. Mr. Stock said there wasn't the slightest chance of such a preview. The plan can be taken to the department and a sympathetic hearing secured, but the only way to find out whether a plan is acceptable or not is to put it in operation, pay the first year's premium, and then submit it.

However, if the plan includes the right of trustees to buy securities it is possible to get an advance opinion from the S. E. C. of that part of the plan dealing with securities.

"An interesting case is the one decided by the United States Supreme Court wherein it was decided that Alabama had the right to levy a sales tax on material bought by a contractor doing cost-plus work for the government. This seems to be setting the stage for a levy by the United States government on state and municipal bonds," Mr. Stock said.

Word has just been received in New York City of the death in action of Major A. G. Hiddings, son-in-law of Agency Vice-president L. Seton Lindsay of New York Life. Major Hiddings was killed Nov. 22, in the Near East while serving with a British tank division.

Wynne Now Head of Atlantic Life

RICHMOND—Thirty general agents of Atlantic Life from Virginia and other states where the company operates assembled here to meet B. J. Wynne after he was elected president of Atlantic at a special meeting of the board. Mr. Wynne is a lawyer of Wills Point, Tex., and is chairman of the executive



R. R. LOUNSBURY

committee of Reserve Loan Life of Dallas.

It was announced that no change in other officer personnel of Atlantic is contemplated.

The 90 percent stock interest of Beneficial Loan Society of Delaware in Atlantic Life of Richmond has been purchased by C. W. Murchison and T. L. Wynne who operate as a partnership in Dallas. Murchison and Wynne are both directors of Reserve Loan Life of Texas and are the principal factors in

that company. They also have important interests in various branches of the oil business.

Atlantic Life has been operated for the past several years under the same general management as Bankers National Life of Montclair, N. J. R. R. Lounsbury has been president of both companies.

As of Dec. 31, 1940, Atlantic Life had assets \$32,670,988, capital was \$500,000, net surplus \$329,575, income was \$5,897,942, disbursements \$4,477,306, new business written \$10,603,052, and insurance in force \$136,361,591.

Atlantic Life announces that policies issued on applications not now in the home office will contain war clause.

Mr. Lounsbury, who is one of the best known and most forceful of life company executives, served for several years as president of both Bankers National and Atlantic Life. Then S. F. Clabaugh became president of Atlantic Life, but shortly was called into government service, whereupon Mr. Lounsbury returned to double duty.

The sale of Atlantic Life now removes the uncertainty that has existed as to its future for several years past.

Allowance to Guardsmen

National Life of Vermont has voted that officers and employees who shall be enlisted in the Vermont state guard shall receive their regular salary for the first 30 days in which they shall serve in field training or active duty when ordered out therefor, and subsequent thereto and until further notice, the difference between salary and compensation from the state.

Cancels Party, Gives to Red Cross

The General Agents' & Managers' Association of Wilmington, Del., has made a contribution of over \$50 to the Red Cross war relief fund instead of holding the annual Christmas party.

Fiscal Agent for Mo. Department

KANSAS CITY—Hall De Weese, Kansas City attorney and a Republican, has been appointed fiscal agent here for the Missouri insurance department by Superintendent Scheufler.

**HERE ARE
TWO SYMBOLS**

— one old and the other new.

The familiar one has been associated, for more than twenty five years, with a pioneer agency plan based on full-time representation by carefully selected, well trained men. . . The new emblem will become more and more familiar through its use by companies adhering to the Agency Practices Code sponsored by the Life Agency Officers Association and the National Association of Life Underwriters. . . Both symbols stand for high standards of life insurance service.

EDITORIAL COMMENT

Insurance Salesmen and War

A THOUGHTFUL and timely study of the effect of war conditions on life insurance in this country is found in the monthly letter of Abner Thorp, Jr., editor of the Diamond Life Bulletins, to subscribers. He shows that life insurance has been little affected in England, while in Canada, which more nearly approaches American conditions, the increase in life insurance sales has been greater than in the United States, notwithstanding the war activities. The same factors operate in Canada as on this side of the border. Mr. Thorp's review is well worth reading:

Although the sudden development of the shooting war with Japan, and the probable further involvement of the United States with the axis powers, has been a great shock to millions of Americans, any student of the underlying situation must have been more or less prepared, since the possibility of war with Japan has been estimated at about a 50 percent probability for the last several months. Furthermore, the United States has been in a de facto war for a considerable period. Consequently, except for the speeding up of defense production, there is not likely to be any marked change in the economic or financial situation in this country in the immediate future.

There will even be certain improvements: For example, we see already distinct evidences of the speedy creation of a united front in which labor difficulties will be ironed out, thus bringing capital, management and labor closer together for the attainment of a common national purpose. Partisan politicians will also have a tendency to merge their differences—and most important of all—a spirit of greater idealism and willing self-sacrifice will manifest itself among all classes.

Naturally, it is not within our province in this brief space to consider at length the ramifications of these changes. A word or two, however, about their effect upon life insurance and the life underwriter's job is in order.

Mortality. An English author, in reviewing the experience of the British insurance companies, says: "War casualties in Great Britain have proved to be not very considerable. A remarkable feature is that most assurance offices were able to declare that, notwithstanding war deaths, the mortality has been not much beyond normal expectation. Reports issued by 22 companies state that the war death claims have augmented normal death claims by only 10.7 percent."

Sales in Canada. The production of life insurance in Canada for the first nine months of 1941 was \$295,000,000, an increase of 11 percent over the corresponding period of a year ago. Note that this is a higher percentage of gain than that experienced in the United States, even though the Canadians have been in the shooting war for a considerable period. Note also that this increase has occurred while war risk riders were attached to the policies.

Mental Attitude of the British. W. P. Braund, Canada Life manager for the British Isles, recently sent a report to his home office, a part of which is quoted from the "Manager's Magazine" of the Life Insurance Sales Research Bureau: "War may have depleted our field staffs, but the remaining managers and men everywhere are undismayed. They are courageously carrying on and setting a fine example. . . .

"With regard to disposing of the war complex on the part of prospects, of course, that is not difficult! There is no less reason today why a man should buy life assurance than there ever was. If anything, there is a greater reason.

"Really, there is very little to say about our problems. There is a war on and one has certain duties to perform. Duties to the company and policyholders, and the obligation of securing the benefits of life assurance for as many others as possible—whilst not neglecting national calls—make a full-time job."

If such results, and such an attitude of mind are possible during wartime in our sister democracy, there should be no doubt that these experiences will be duplicated during the coming months in our United States.

Apparently the first duty of the underwriter in this emergency is to re-examine carefully the service which he has to sell, for if he doesn't believe in it himself what chance can he possibly have to do a first class selling job?

With an increase in the new paid life insurance during the past year of over 6 percent, and with the people of America owning \$925 per capita of life insurance in 1941 as against \$266 in 1917 at the start of the last war, we have ample evidence that the people of America are well "sold" on the value of life insurance both in peace and in war.

Possibly, however, there may remain some question as to the buying power of prospects in the months ahead. That question deserves some consideration.

The Chicago Tribune recently stated that the first 240 companies sending in

reports for the third quarter of 1941 showed a 38 percent larger profit than for the same period in 1940—and this was even after the deduction of high taxes and the setting aside of contingency reserves. The total net earnings for these 240 companies were \$383,000,000 as compared with \$278,000,000 for the same quarter last year.

Of course, corporate income and excess profits taxes will be further increased. Yet there is a definite limit to such increases, because the federal government knows that it cannot drain off too much of the "gravy" without impairing the willingness of manufacturers to exert the necessary effort and initiative required for "all-out" war production.

The Department of Commerce announced recently that the national income is now at the peak total of \$92,000,000,000, the highest on record.

Contributing to this increase was the advance of 14 percent of income of unincorporated businesses; increase in dividends by 10 percent; and a rise in farm income of 25 percent above the last nine months of 1940.

Average wages also have outdistanced the rise in cost of living, since average weekly wages of 25 manufacturing industries have risen about 28 percent since 1939, according to the National Industrial Conference Board, while in the same period living expense rose only a little more than 8 percent. According to Sumner Slichter, economics professor at the Harvard Business School, total payrolls for 1941 will approximate \$60,000,000,000, which is an increase of 25 percent over 1940. Furthermore, in his opinion, payrolls next year will increase another five or six billion dollars.

Under these conditions, should there be any great concern on the part of life insurance salesmen as to where their

prospects are going to get the money for premium payments? Naturally, it is trite to say that these dollars will go elsewhere if the underwriter does not go out aggressively after his share. For life insurance still must be sold and is in active competition with amusements which do not have to be sold and luxury items.

The Federal Reserve Board states that farmers have benefited more than any other class from the defense program, as far as their purchasing power is concerned. Farmers are now getting 50 percent more for their crops than they did a year ago, and between 35 percent and 40 percent more for livestock.

The cash income of farmers in 1941 will be over \$10,000,000,000, which is 17 percent above that of last year. And this increase is due not only to the rise in prices of farm products, but to low interest rates on their mortgages, comparatively low taxes, and the shift of city dwellers to the country.

Thus, we have tried to set out briefly the principal psychological and economic factors which life insurance men will have to take into account in the emergency ahead. If they get into their minds a true picture of the situation; if they have a firmly grounded faith in the unique service of life insurance; if they will prospect in the right places; if they will organize their time so as to combine defense efforts with the efficient prosecution of their own business; if they will be sincere, honest, unselfish and energetic; if they will learn to motivate; if they will learn to make the most of the growing unselfishness, idealism and emotionalism which the war will generate, they will have no reason to fear the future and will find an added joy in redoubled effort and in a sustained earning power to underwrite the needs of their own loved ones.

PERSONAL SIDE OF THE BUSINESS

The First World War Naval Aviation Committee of Chicago, of which the chairman is **Warren V. Woody**, head of the Woody agency of Equitable Society in Chicago, will seek to form four new naval aviation squadrons in the next 60 days. The group already has organized two squadrons, Chicago's Own, now at the Corpus Christi, Tex., base, and the Chicago Blackhawk squadron in training at Glenview airport. The squadrons, which will take 140 aviation cadets and 500 mechanics, are being developed in conjunction with naval aviation authorities.

James M. Smither, general agent of Union Central Life, has been elected president of the New Orleans Association of Commerce.

Walter W. Head, president General American Life, has been reelected president of the Farmers Club of St. Louis, affiliated with the agricultural bureau of

the St. Louis chamber of commerce and composed of prominent St. Louis business and professional men who own farms.

E. A. Frerichs, superintendent of agents of Security Mutual Life of Nebraska, has been elected by the Lincoln chamber of commerce to head its insurance subdivision.

Isadore Samuels, general agent of New England Mutual, has been appointed as a director of the Denver Community Chest.

A daughter, who has been named **Lou Ann**, was born to **Alex Cunningham**, vice-president and treasurer of Western Life of Helena, Mont., and Mrs. Cunningham.

While her husband is in the service, **Mrs. Walter Filler** is "keeping the home fires burning" at LaCrosse, Wis. She has signed a contract with the C. W.

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"Merry Christmas, and I must say I was pretty smart when I thought of getting you life insurance with my bonus and defense bonds with my savings!"

Tomlinson agency of Bankers Life of Iowa in Madison and will carry on in LaCrosse, where her husband has placed a large amount of Bankers Life business in recent years.

A. J. Hill of the California agency of State Life of Indianapolis led in production for November. The field year closed with November. California nine times during the year contributed the leader for the month and every month the California agency was in first place on the honor roll.

DEATHS

Equitable of Ia., St. Louis General Agent Is Dead



CARL M. VAUGHN

Carl M. Vaughn, 41, general agent at St. Louis for Equitable Life of Iowa, died at his home in Roanoke, Va., after a long illness.

Mr. Vaughn was president of his company's Organization Club by reason of having the largest number of qualifying

agents within his agency in 1940. Mr. Vaughn had an outstanding record with Equitable. He signed his first contract in 1925 as a soliciting agent in the Roanoke agency. Five years later Mr. Vaughn was appointed agency manager for Roanoke, and in 1936 was appointed general agent for St. Louis. He had steadily advanced the rank of the Missouri agency from 20th in 1937 to 13th in 1938, 9th in 1939, sixth in 1940 and fourth in 1941. Last year, in recognition of his organizing ability, he was the recipient of the Master Agency Builder award.

Mr. Vaughn was a director of the Life Underwriters Association in St. Louis.

Walter C. Temple, 67, division manager of Ohio National Life in Dallas, died at his home there following an extended illness. Mr. Temple was godfather of hundred of Texas children as he fostered the Texas Scottish Rite Hospital for Crippled Children. He was sovereign grand inspector of Scottish Rite Masonry for the southwest.

William Smith, 71, president of the Western Empire Life, Winnipeg, died in Vancouver. He also was chairman of the board of Western Empire Fire & Accident. He started with Metropolitan Life in Winnipeg and was superintendent there when he resigned to join Great-West Life as city manager. Later he was with Prudential, resigning to become one of the organizers of Western Empire Life.

Edward B. Dennett, 68, associate manager of the home office agency of Union Mutual Life, died at Norristown, Pa. A former manager of the Portland agency, he had been with the company for more than 24 years.

James C. Sewell, 80, who retired six years ago as general agent of Travelers in Albany, died in that city. At the time of his retirement he had been connected with Travelers more than 50 years.

Mrs. Vina B. Peakes, 82, with the Boston office of New York Life for 40 years, and a pioneer among insurance women, died at her home in Lakeport, N. H.

Henry W. Strickler, president of the Midland Insurance Company of St. Paul, a life insurance concern which was re-insured in 1925 by Des Moines Life &

U. C.'S NEW NATIONAL ADVERTISING PAVES WAY FOR INCREASED SALES IN TODAY'S MARKET!



**"IT'S RIGHT DOWN OUR ALLEY,"
SAY UNION CENTRAL MEN,
"TIMELY, HARD-HITTING, AND
REALLY DOES THE JOB!"**

The UNION CENTRAL LIFE INSURANCE CO.

CINCINNATI, OHIO

To The Man Who Knows His Job—

There's a man in business today who is making a career of helping people to reach their objectives. He is the life insurance salesman—not the policy peddler, but the *modern life underwriter*.

He really knows his job—this modern life underwriter. His objective is not merely "to sell you a policy". His purpose is to bring to you a greater degree of economic security for yourself and family.

He knows that most men already own some life insurance. He knows that in the majority of instances they own a group of unrelated policies. He shows the wisdom of fitting those policies into one coherent plan... a plan designed according to your individual desires and objectives for your family and yourself.

If additional insurance is required to meet your desires, he tells you so. Like the good physician, however, he prescribes *only* after a complete diagnosis reveals the need for a prescription. He would no more recommend the purchase of additional insurance that is not needed than a physician in whom you have confidence would suggest an operation that is unnecessary.

His is an important business and he is equipped with the knowledge and training to follow it on an intelligent, professional basis. You will find him a person well worth knowing—a person prepared to render you a professional service of high order.

What is a C.L.U.?

Life insurance selling is a business but life underwriting is distinctly a profession—a profession because it requires special knowledge, ability and skill applied to the individual problems of people.

Among the group of modern life underwriters who are leading the steady trend toward this professional concept are those members who have earned the designation C.L.U. The designation which is conferred by the American College of Life Underwriters stands for Chartered Life Underwriter.

Underwriters who are C.L.U.'s have added to their insurance knowledge a background study of those subjects which will help them to handle more effectively the ever-changing problems of life and living. These studies include such subjects as economics, government, commercial law, corporation finance, wills, taxes and estates.

There are many thoroughly competent life underwriters who do not have the C.L.U. designation. This educational movement is, however, one of the evidences of the trend in the life insurance business toward a constant broadening of the services rendered the insuring public.

The modern life underwriter is aware that "underwriting" is more and more superseding the mere act of "selling." He is more than a salesman. He counsels with his client and arranges the life insurance estate to completely meet the insured's needs.

In a given number of cases, the insured finds he needs additional insurance to carry out his plans. This in the aggregate produces adequate compensation for the underwriter. Thus he can do his primary job of expert planning in each case without regard as to whether or not additional insurance is to be purchased.

You will find the modern life underwriter an expert in his field equipped with the knowledge and ability to render you a professional service of high order.

An Open Letter to Owners of Life Insurance:

"It is important to you to know that I am in the life insurance business for the "duration"—for the DURATION of a policy owner's responsibilities to home and family. By owning life insurance you have arranged for a successful discharge of much of that responsibility—through the century-old performance of the institution of life insurance.

"But—not mentioned in policy contracts is further performance—

performance which cannot be written. This letter has been written, however, in the service of the writer who is so aptly described by the man who has written such a description is a man you know. I am a man—and I hope you'll agree.

"Your plans for continuous security and peace of mind thereby both be assured." Sincerely,

John

Year In And Year Out

YOU NEED THIS MAN'S SERVICES

The modern life underwriter, like any other professional man, renders you a continuing service. That is one of the reasons why he is so essential to the owner of life insurance.

You hesitate to consult a strange doctor whenever you are ill. If you are wise you see the *same* dentist twice a year. In each case confidence in professional service is an important factor to you; and important to the doctor and dentist is your continuous case history which permits each to prescribe intelligent action that saves you money and avoids distress.

And yet, many people buy life insurance from one different acquaintance after another, and wind up with a group of unrelated policy contracts. Often, valuable rights and options are completely overlooked and in many cases to exercise them intelligently enlarges the benefits so that you avoid needless future purchases.

The modern life underwriter takes those policies and welds them into an effective plan that guarantees that your wishes will be carried out. Thereafter, he checks from time to time to see if changed conditions or new laws or tax regulations require adjustments in your plan.

There are many competent underwriters representing numerous excellent companies who can furnish this service. We urge that you locate a life underwriter whose knowledge and character commands your confidence. Place your life insurance problems in his hands and thereafter see him once a year as you do your dentist and your physician.

The Men You Trust

Ask a man to name his most trusted advisers . . . and he will usually begin with "My doctor . . . my lawyer . . ." or that dependable person whose disinterested advice has invited his counsel many, many times. He usually refers to a professional relationship—as he calls to mind his architect, his accountant, his dentist . . . his banker.

Experts all—men whose judgment he relies on for important decisions. This inner circle of trusted advisers remains with him as he moves down through the years.

Increasingly important in this inner circle is the modern life underwriter. He is not the policy selling, high-pressure salesman—but the ambitious, career-minded, modern life underwriter who knows his business.

He is the man who can help you plan the insurance you now own so that valuable rights and options—which are all too often overlooked when you buy haphazard from one acquaintance after another—are utilized to their fullest extent.

He is the man who will serve you and advise you. He will keep you informed of new laws, new taxes, new conditions arising in your financial plans. If changes are necessary, he will make sure that you make them—in time.

This man belongs in your inner circle of trusted advisers!—this generation's contribution to professional service.

He is the *modern life underwriter*.

To the Modern Life Underwriters of All Companies:

A brochure has been prepared for the use of our own organization containing these four advertisements from the series which appeared in National magazines during the present year. We received many requests from underwriters of other companies for copies of these advertisements. Since the primary purpose of our advertising campaign was to build prestige for the modern life underwriter of all companies, we are glad to continue to comply so long as the supply lasts.

If you will write and tell us how many copies you think you can use, they will be forwarded to you.

HOME LIFE INSURANCE CO. — 256 Broadway, New York
ETHELBERT IDE LOW, Chairman of the Board; JAMES A. FULTON, President
WILLIAM P. WORTHINGTON, Vice-Pres. and Supt. of Agencies

be with letter of the law. It has
the service of the modern life under-
scribed the man whose career fits
an you now. I believe I am such
agree.
continuous and my future success will
Sincerely

John Z. Underwriter

(YOUR SIGNATURE HERE)

Annuity, died in Chicago. He was president of the Peoples Bank of St. Paul. Mr. Strickler had been a resident of St. Paul for 30 years, moving to Chicago, his former home, five years ago.

Arthur R. Cuthbertson, 62, a former superintendent of Prudential in Saginaw, Bay City and Flint, Mich., and long active in the Flint Association of Life Underwriters, died at his home in Flint after a three-year illness.

Dr. M. S. Boyer, 71, president of National Accident & Health, of Philadelphia, died last week after 10 months' illness. He was formerly a practicing physician. He entered insurance work as a broker in 1911. His brother, Charles H. Boyer, was at one time head of the industrial department of General Accident, later was manager of the accident and health department of National Life, U. S. A., of Chicago, and then general manager of U. S. National, which took over that business. It was reinsured by Washington National. He is now with Lutheran Brotherhood. His brother, J. B. Boyer, vice-president and general counsel, has been elected president.

Ike S. Lewis, 81, former insurance commissioner of Kansas, died at his home in Kansas City. Mr. Lewis served as chief clerk and assistant commissioner many years before being elected as commissioner in 1912 and 1914. In 1916 he went with Fraternal Aid Society and served as secretary until his retirement in 1921. Before Mr. Lewis' election as commissioner, the office was appointive.

Charles M. Howell, Sr., long prominent in insurance and political activities at Kansas City, died at the Johns Hopkins hospital in Baltimore after a year's illness. He was 68. He was president of the Pyramid Life of Kansas, which has executive offices in Kansas City, and counsel for American Savings Life there and of Great Southern Life. He was an influential figure in the reciprocal insurance field.

Mr. Howell and ex-Senator James A. Reed were long associated professionally and politically. Mr. Howell was Democratic state chairman from 1928 to 1931 when he resigned to make his unsuccessful bid for senatorial nomination.

Memphis Life Men Honored

The Sales Managers Club, a division of the Memphis, Tenn., chamber of commerce, included seven life salesmen among the 34 selected for distinguished service awards on 1941 sales records. This group was honored at the annual dinner meeting. The life men are: Thomas C. Barnes, Metropolitan Life; J. A. Cook, National Life & Accident; J. L. Gainey, Reliance Life; Isaac Loskove, State Mutual; J. A. Patterson, Prudential; Waddy West, Penn Mutual, and J. S. White, National Life of Vermont.

The Atlantic Life Employees Association will hold its Christmas celebration and dinner in Richmond the evening before Christmas.

COMPANIES

Wash. National Report Shows Fine Situation

The report of a convention examination of Washington National of Evanston, Ill., just released by the Illinois department, reveals a very sound situation. As at Dec. 31, 1940, assets were \$46,915,268, capital was \$2,000,000 and net surplus \$1,896,558. The Illinois department always sets forth the cost of the examination to the insurance company. The cost to Washington National was \$20,163. The states participating were Connecticut, Maryland, North Dakota and Illinois.

The examiners find that there was a surplus of \$1,078,177 in the National Life fund (the remains of the old National Life, U. S. A.).

The examiners point out that since the date of the last examination, which was Dec. 31, 1937, insurance in force has increased from \$78,871,160 to \$131,790,660. During the same period, accident and health premiums have increased from \$6,084,861 to \$7,027,542 per year.

Insurance operations have been profitable and capital-surplus has increased during the period from \$2,338,232 to \$3,896,558 after continuation of payment of dividends to stockholders and to participating policyholders.

Washington National is licensed in the District of Columbia and all states except New York and South Carolina.

Minn. Mutual at All-Time High

Minnesota Mutual Life is closing 1941 with insurance in force at a new all-time high, exceeding \$250,000,000. To reward its producers during Phillips Month, the company is offering defense stamps for each application turned in and additional stamps for other achievements.

California-Western States Life declared an extra stock dividend of \$1 a share, payable Dec. 20 to stockholders of record Dec. 10, bringing to \$2 the total of dividends paid in 1941.

Postpone Fischer Ouster Case

DES MOINES — Hearing on the question of jurisdiction in the ouster action case against Commissioner Fischer has been set for Jan. 8 by Municipal Judge Powers. The hearing originally was set for Dec. 15. The postponement was because several of the attorneys in the case were unable to attend.

Benjamin Wolf of St. Louis had demanded the ouster of Fischer by the state executive council on charges of failure to take proper action in connection with the affairs of the American Mutual Life of Des Moines.

To Home Office Post in Commonwealth Life



W. A. LONSFORD

W. A. Lonsford, who is the new assistant manager of the industrial agency department of Commonwealth Life, for the past four years has been manager of his company at Birmingham. He is president of the Birmingham Association of Life Underwriters. He made a strong record in production while serving in the Birmingham territory.

SALES MEETS

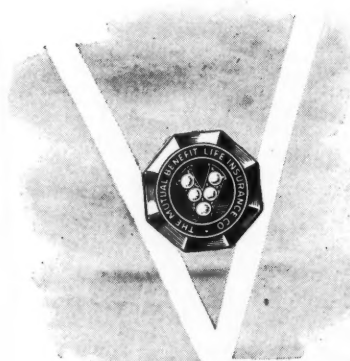
Venison Dinners Feature of Okla. Agency Meetings

The annual deer dinner accompanying the two-day agency meeting of the L. C. Mersfelder agency of Kansas City Life in Oklahoma City was attended by about 80 members from various parts of the state. Home office officials attending were W. E. Bixby, president; J. A. Budinger, vice-president and actuary; Dr. J. E. Bee, medical director, and Maurice Smith, regional supervisor. Additional out-of-town guests were Mrs. Bixby, Mrs. J. B. Reynolds, widow of the organizer and long-time president of the company and O. Sam Cummings, Texas state agent, Dallas. Each year Mr. Mersfelder goes to the mountains in New Mexico and brings home the deer.

A venison dinner is scheduled for Dec. 20 by the Oklahoma agency of Occidental Life, for which Marmaduke Corby, general agent, has bagged the deer. He prefers Canada for his hunting jaunt. This too will be accompanied by an agency meeting.

Plan N. Y. Life Oklahoma Rally

The Oklahoma agency of New York Life will hold an agency meeting Dec. 22 at Oklahoma City. Key speakers scheduled are Dick Oliver, assistant vice-president, and O. R. Carter, superintendent of agents, both from St. Louis. An attendance of about 100 is expected.




THIS is the Veterans emblem worn by ONE OUT OF EVERY FIVE of our fieldmen—members of the Veterans Club. They have represented the Company 20 years or more.

TWO OUT OF EVERY FIVE of our fieldmen have been with the Company 10 years or longer.

Such loyalty speaks well for the future.

The Mutual Benefit

LIFE INSURANCE  COMPANY

Organized 1845 • Newark, N. J.

GENERAL AGENT WANTED FOR MOBILE, ALABAMA

Excellent opportunity with large mid-western company, not now represented in Mobile.

Multiple-line company. Writes ordinary, group, annuities, hospitalization, commercial accident and health.

State full particulars. Your confidence will be respected. Address Box O-81, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

Opportunity

An outstanding Southern Life Insurance Company has opportunity as Assistant Manager of Agencies in Home Office for experienced Life Underwriter and field executive to develop and recruit new Agents and Agencies.

Give your complete record in first letter and address in confidence

Address Box O-79, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

E. G. Bewley, supervisor of agencies in Oklahoma, will preside at the business meetings.

Equitable Rally in St. Paul

District managers and field assistants in the C. W. Streeter agency of Equitable Society held an all-day conference in St. Paul Dec. 15. In the evening they and their wives were guests of Mr. and Mrs. Streeter at a Christmas dinner party.

Central of Iowa Wis. Rally

Agents of the C. C. Tucker agency of Central Life of Des Moines attended a sales conference in Wausau, Wis., and also a Christmas dinner party in the evening. President E. H. Mulock and several other home office officials attended.

General Agents Meet Jan. 28-31

The General Agents Association of Provident Mutual will hold its annual conference at the Roosevelt Hotel, New Orleans, Jan. 28-31.

uncertainty engendered by present-day circumstances." That statement was endorsed by Lysle Kindig, Massachusetts Bonding, who also spoke on the prospect's fear of inflation and uncertainty.

Because both the government and individuals are now preoccupied with self-preservation and pressing the war effort, much less will be paid to all charities and social agencies, R. E. Watts, Pacific Mutual, suggested. This, he said, also will be a factor emphasizing the need for more income protection. Loren Reitz, Connecticut General, also predicted accident and health volume will rise greatly during the current crisis.

Kloppenburger New L. A. President

LOS ANGELES—The Accident & Health Managers Club elected as president, Otto Kloppenburger, Hartford Accident; vice-president, George Howell, Maryland Casualty; secretary, John Ford, Pacific Mutual Life; directors, George Hoban, Loyalty group; O'Brien Sawyers, Northern Life of Seattle; Ralph W. Smith, Unity Mutual Life.

Council, affiliated with the A. F. of L. Temporary officers of the Prudential group, which plans to extend membership to agents of other companies are: P. B. Maher, chairman; L. E. Valois, recording secretary; Paul Finkbeiner, financial secretary.

Reliable Would Take Over Sterling National Business

ST. LOUIS—Superintendent Scheufler held a public hearing here Wednesday on a petition for approval of a contract under which Reliable Life of St. Louis would reinsure or purchase all the outstanding industrial life and industrial health and accident business of Sterling National Life of Houston, Tex.

Sterling National was licensed in Texas March 1, 1939. As of Dec. 31, 1940, industrial life insurance on its books totaled \$1,030,942. The amount written in 1940 was \$1,257,972.

Reliable Life has been in business since 1911, and has been operating in Texas for several years, in addition to Missouri, Kansas and Arkansas.

Two Indicted in Missouri

ST. LOUIS—C. J. Harvey, attorney who formerly was assistant counsel for

STOCKS

H. W. Cornelius of Bacon, Whipple & Co., 135 So. La Salle street, Chicago, gives the following stock quotations of life companies as of Dec. 15, 1941:

	Par	Div.	Bid	Asked
Aetna Life	10	1.40*	24	25 1/2
Conn. Genl.	10	.80	23	24 1/2
Contl. Assur.	10	2.50*	36	38
Life & Cas.	3	.50	8 1/2	9 1/2
Lincoln Natl.	10	1.40*	27	28 1/2
New World Life ..	10	.30	3 1/2	4 1/2
N. W. Natl. Life ..	7.50	.30	8 1/2	9 1/2
Ohio Natl. Life. ..	10	1.25	26	29
Old Line Life.	10	.60	10 1/2	12
Travelers.	100	16.00	375	390
Wis. National.	10	1.00	16	18

*Includes extras.

the Missouri insurance department has been arrested on indictment of the Cole county grand jury investigating corruption at the last legislative session. It is understood the indictment covers Harvey's activities in connection with the agents' qualification bill defeated in the legislature.

J. L. Ivanhoe, St. Louis, ranking member of the house insurance committee last session, has been named in two indictments by the grand jury. The indictments charge Ivanhoe with soliciting bribes in connection with the qualification bill.

ACCIDENT

See Increase in Accident-Health as Result of War

KANSAS CITY—Marion F. Houston, general agent, Washington National, was elected president of the Kansas City Association of Accident & Health Underwriters, succeeding Minor Z. Abell, Business Men's Assurance, at a meeting featuring discussion of the war's effects on the accident and health business. J. M. Belwood, Connecticut General Life, was program chairman.

The program consisted of discussions of seven production problems made more pertinent by the war. "We have had a few days of jitters. That is enough," Chairman Belwood said, sounding the keynote of the program. "We start from here. We must eat. We must pay taxes. We must buy bonds. It is our privilege to work."

Cites Results in Former War

Recalling the effect of the first world war on accident and health production, J. Ives Barton, Maryland Casualty, pointed out that business at that time was very good and that accident and health volume has almost tripled since that war. In closing he said: "It is not what the war is going to do to our business as much as what we are going to do for it in better promotion and sales programs."

R. J. Costigan, Business Men's Assurance, predicted accident and health volume will increase during the present war, more so, in fact, than life insurance. Incomes will be more vital now and many of them higher than ever before, which increases the value of income protection proportionately. The increase in the number of women working also creates a larger, more responsive "income insurance" market, he said.

The most important present-day item to consider in policyholder service, according to Carl Damon, American Savings Life, is to make sure the client's accident and health protection comes up to his increased income. Because the increased load in taxes, pay roll, etc., probably will curtail employers' payments to employees while injured or ill and because outside investment returns are low, this "under-insurance factor" is especially vital, he said.

When the prospect is concerned over lower net income due to taxes and defense bond purchases, it is more important than ever that he protect the remaining margin, said Don Lawrence, Travelers. "You can prove that disability insurance is the best answer to

INDUSTRIAL

Colonial Goes on 3% Basis in Industrial Policies

Colonial Life has adopted a 3 percent interest basis for premiums, reserves and non-forfeiture values for all industrial business issued after Jan. 1. The following schedule shows the new benefits for each 5-cent unit of weekly premium by various plans. All benefits shown are ultimate amounts, the initial benefits at very young infantile ages being lower, but rising rapidly to ultimate.

Age	Wh. Life	15 Pay Life	20 Pay Life	Term to 65	Age	Wh. Life	15 Pay Life	20 Pay Life	Term to 65
1	\$150	\$80	\$95	\$..	29	\$79	\$50	\$50	\$110
2	146	78	93	..	30	76	49	50	108
3	143	76	91	..	31	74	48	50	105
4	140	74	89	..	32	72	47	50	102
5	137	73	87	..	33	70	46	50	100
6	134	72	85	..	34	67	45	50	97
7	131	71	84	..	35	64	44	50	95
8	128	70	83	..	36	61	43	50	92
9	126	69	82	..	37	59	42	51	89
10	123	68	81	..	38	57	41	50	87
11	121	67	80	..	39	55	40	49	84
12	118	66	79	..	40	53	40	48	82
13	115	65	78	..	41	50	39	47	80
14	113	64	77	..	42	48	38	45	78
15	110	63	76	..	43	46	37	44	76
16	108	62	75	..	44	44	36	43	74
17	105	61	74	..	45	42	35	42	72
18	103	60	73	..	46	40	34	40	70
19	101	59	72	..	47	37	33	38	68
20	99	59	71	132	48	35	32	37	66
21	97	58	70	130	49	33	31	36	64
22	96	57	69	128	50	31	31	35	62
23	94	56	68	125	51	29	..	..	60
24	92	55	67	123	52	27	..	..	58
25	90	54	66	120	53	25	..	..	56
26	88	53	65	118	54	23	..	..	54
27	85	52	63	115	55	21	..	..	52
28	82	51	61	113	..	..	..	..	50

The new policies will contain a double indemnity benefit, the cost being included in the premium. However, for infantile lives, double indemnity will not commence until age 10, but accidental death feature automatically become operative after that age by the policy terms. Double indemnity will not be included in certain policies where applicant is not considered qualified for such protection at standard rates.

Supplementary contracts will be available to provide disability benefits at a premium of one cent for each five cents of life premium. Disability benefits will include for each one cent of disability premium, a special disability of 1/26th of an amount, dependent upon the plan of insurance and age at issue, payable in 26 weekly installments. The policy will be continued in force for full benefit with future premiums, if any, waived during continuance of disability. But without further double indemnity or loss of eyesight or limbs benefits, if contained in the policy.

Toledo Group to A. F. of L.

Prudential agents in Toledo, O., have voted to apply for a charter in the Industrial & Ordinary Insurance Agents'



IN THE NAME OF PROGRESS

Over 600 firms have put into operation the Minnesota Mutual Pay Roll Deduction Plan. Unique in its advantages to employer, employee and agent, the Plan is being used more and more by progressive far-sighted firms. A field of prospects unlimited in possibilities is at your door with this convenient workable plan. And that's not all; check over these ADDITIONAL ADVANTAGES enjoyed by our field force:

1. A liberal agency contract
2. A plan for financing your agency
3. Accounting methods to guide you
4. Proven plans for finding—training agents
5. A liberal financing plan for your agents
6. A unique supervisory system
7. Organized Selling Plan
8. Unusually effective selling equipment
9. Policies for every purpose: Regular — Family — Juvenile — Women — Group — Payroll — Savings, Social Security, etc.
10. Low monthly premiums

A \$250,000,000 Mutual Company, 61 years old, with an understanding, cooperative Home Office

THE MINNESOTA MUTUAL LIFE INSURANCE COMPANY

Saint Paul, Minnesota

LIFE AGENCY CHANGES

Manufacturers Has New Detroit Head

William M. Milligan becomes Detroit manager of Manufacturers Life, succeeding Donald Machum, who has resigned. He has been manager in Pittsburgh, which territory he opened in 1938. The appointment is effective Jan. 1. A suc-



WILLIAM M. MILLIGAN

cessor in Pittsburgh soon will be announced.

Mr. Milligan entered life insurance as executive secretary of the Pittsburgh Life Underwriters Association, 1928-29, then joined the Shirley agency of New England Mutual in Pittsburgh as agency secretary, agency supervisor, and more recently as assistant general agent. He left that post to become manager for Manufacturers Life. Mr. Milligan is 36 years of age and a C. L. U.

The Detroit branch is the oldest United States agency of Manufacturers, having been established in 1903, and has had only two managers, the late Robert Campbell, 1903-31, and Mr. Machum. It stood seventh among the 70 branches in volume of paid business for the first 11 months this year. The United States division, operating in nine states, is producing more than 30 percent of the company's total new business annually, and of the total business in force, now exceeding \$620,000,000, more than \$135,000,000 is in the United States.

Mr. Machum had been manager for 10 years. He has not severed his connection with the company with which he has been affiliated for 23 years. He became manager of the New Brunswick branch in 1925 and in 1931 was transferred to Detroit. He has been active in association affairs, having been president of the Associated Life General Agents & Managers 1940-41 and a member of the Life Underwriters Council. He was one of the two general chairmen for the Life Managers Congress held in Detroit a year ago and served two terms as vice-president of Qualified Life Underwriters.

Rohde Made Field Supervisor

J. Elliott Hall, Newark general agent of Penn Mutual Life, has appointed Edgar F. Rohde field supervisor, in charge of recruiting, training, supervising and placing new men in the territory. He has been with the Hall agency since 1937, starting as a full-time agent.

Wilson to Evansville, Ind.

William J. Wilson, formerly agency organizer of the E. G. Bewley agency of New York Life in Oklahoma City, has been transferred to a similar position in Evansville, Ind.

Provident Appoints Nice in Reading, Pa.

Franklin M. Nice is appointed general agent for Reading, Pa., and vicinity, by Provident Mutual Life, with offices at 500 Baer Building. He replaces John H. Hartzell, Jr., who died last May.

Mr. Nice was born in Hamburg, Berks county. After completing his education at University of Pennsylvania, he entered the accounting field in Philadelphia. Later he moved to New York, where he was circulation sales manager for a large publishing house and also was connected with the trust department of Central Hanover Bank. He has been in the life insurance business in Reading for the last five years and has been successful. He is a director of People's Trust Company of Wyoming and New Home Savings & Loan Association.

Associated with Mr. Nice will be John H. Hartzell, 3rd, T. M. Leinbach and S. H. Wertz, in Reading; F. P. Sharpless in Lancaster; J. H. Sprecher in Lebanon; W. G. Downey in Pottsville and S. C. Reed in Shamokin.

Shamberger Leaves Business

C. H. Shamberger, assistant manager of Connecticut General Life, Chicago, is leaving the business to become director of industrial relationships of General Mills, stationed at the head office in Minneapolis. He will initiate a new activity having to do with employer-employee relationships. Mr. Shamberger has been in life insurance work 11 years, all with Connecticut General in Chicago.

W. H. Tennyson to Montana

William H. Tennyson, recently associated with the Los Angeles agency of Mutual Benefit Life, has been placed in charge of its Great Falls agency as district manager for Montana. He succeeds Gilbert W. Redden, who is returning to the home office after serving as cashier at Great Falls for four years.

Mr. Tennyson joined Mutual Benefit at its home office in 1905. Later he be-

came successively editor of the field magazine, "The Pelican," assistant superintendent of agencies and general agent at Indianapolis. For several years he has been associated in various capacities with the Murrell Brothers agency in Los Angeles.

King Manager in Pittsburgh

J. R. King has been appointed branch manager in western Pennsylvania by Dominion Life with headquarters in the Park building, Pittsburgh. He has had 15 years' life insurance experience, for the last seven years having been with Bankers Life of Nebraska. Previously

he was with Equitable Society for a number of years.

Boyd Named in Tennessee

Caswell Boyd becomes general agent of Franklin Life in Tennessee. He was a captain in the first world war and was adjutant general of Tennessee 1923 to 1933. He engaged in selling real estate for several years before entering life insurance, and has been very successful in the business.

Faser Names Unit Managers

Henry M. Faser, Jr., Boston general agent of Penn Mutual, has appointed



A Job Ahead.....

For All of Us!

As we face the grim task of preserving our way of life—we pause long enough during this Holiday Season to extend good wishes to our associates in the best business in the world.

America at war presents a united front, the spirit of which can never be understood by the Austrian Housepainter or his stooges. This nation, where every man is entitled to life, liberty and the pursuit of happiness, can never bow to principles so foreign to those given us by the Leader whose birth we honor next week.



LAURENCE F. LEE
PRESIDENT

In a spirit of appreciation, we announce 1941 as a year unparalleled in the consistent growth of our business.

**OCCIDENTAL
LIFE INSURANCE COMPANY**
RALEIGH NORTH CAROLINA

THE
MANUFACTURERS
LIFE

WITHIN this Company, there is an ideal combination of the stability of age and the vigor of youth.

Fifty-three years of sound conservative precept and practice have built up a stable institution, strong financially and well seasoned in experience.

On this foundation is based today a truly modern, vigorous and progressive life insurance service.

INSURANCE IN FORCE, 604½ MILLION DOLLARS
(Including Deferred Annuities)
ASSETS, 190 MILLION DOLLARS

INSURANCE COMPANY
HEAD OFFICE
TORONTO, CANADA
Established 1867

James E. Hollyday and Robert Irwin as unit managers to aid him in the management of the Boston agency. Mr. Hollyday is a native of Maryland, joined Penn Mutual in Boston 11 years ago and has become an authority on tax and business insurance. Mr. Irwin graduated from Harvard in 1939, joining the Faser agency soon afterward.

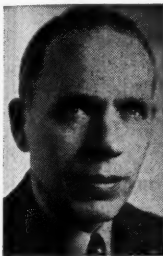
Pilkington Is Agency Aid for Manager Vermillion

Robert G. Pilkington, who resigned recently as Chicago general agent of Bankers Life of Nebraska, has been appointed agency organizer by G. T. Vermillion, Chicago manager of Mutual Life of New York.

Mr. Pilkington was connected with the Equitable Society in Chicago for eight years, first as agent and later for three years as educational supervisor of the Reno agency. Prior to that he was an investment salesman.

Then he became regional manager for Bankers Life of Nebraska, and near the end of 1940 was named general agent.

He is a graduate of the Sales Research Bureau agency management school of 1939 and taught life insurance to adult classes in the Englewood evening high school.



R. G. Pilkington

Western Life Appointments

William T. Wood has been appointed associate general agent of Western Life of Helena, Mont., in Portland and Harry Putnam is named general agent at

E. J. Phelps Heads Hoey & Ellison Life Unit



E. J. PHELPS

New officers of Hoey, Ellison & Frost and Hoey & Ellison Life Agency of New York have been elected following the death of James J. Hoey. There was elected as chairman of both organizations Miss Jane M. Hoey, sister of James J. Hoey, who is director of the bureau of public assistance of the Federal Social Security Board.

The new president of Hoey, Ellison & Frost is Henry E. Frost and the new president of the life agency, which is general agent of Equitable Life of Iowa, is Edwin J. Phelps.

Mr. Frost, a native of St. Paul, entered the business with the old German American in 1894. In 1907 he joined the agency of Hall & Henshaw and became identified with White & Ellison in 1916 as chief underwriter.

Mr. Phelps graduated from Lafayette College in 1931 and then went with Massachusetts Mutual. He joined National Life as an assistant manager in New York in 1934 and in 1939 went with Hoey & Ellison Life Agency as vice-president and manager.

Opens K. C. Branch

Robert C. Searle, who has opened Great-West Life's first Missouri branch in Kansas City has been an outstanding personal producer for more than 10 years, first with Equitable of Iowa and more recently with Home Life of New York. Mr. Searle now is building an agency staff. He will supervise Kansas also at a later date.



R. C. Searle

Eugene, Ore. Mr. Wood has had a successful record in the business, representing a Canadian company. Mr. Putnam has been a successful producer in Portland, Me., for 18 years. He has gone west for reasons of family health.

Hollister Named at Pittsfield

Connecticut Mutual Life has appointed Norman B. Hollister district branch manager at Pittsfield, Mass. He is a graduate of the business school of the University of Pennsylvania and has been in the sales promotion department of the Pittsfield Electric Company eight years.

ASSOCIATIONS

Alabama Group to Extend Activities

MONTGOMERY, ALA.—The Alabama Association of Life Underwriters held its mid-year meeting here with more than 100 present, including representatives from seven local associations.

Several recommendations of President H. Martin Nunnelle, Massachusetts Mutual Life, Birmingham, were adopted for strengthening the association and increasing its activities. These included the appointment of a committee to plan a quarter million dollar round table; raising of the state dues from 50 cents to \$1 per member per year and holding mid-year meetings in January and annual meetings in July. The July meeting will be held in Mobile at which time officers will be elected. In addition the state association will help to hold sales congresses in conjunction with each local association.

Davis Gives Talk

Chief speakers included Harry I. Davis, Massachusetts Mutual, former president of the Atlanta, Ga., association, on "The 2 Percent Difference"; Milton Elrod, Jr., R. & R. Service, "Tax Insurance Selling in One Easy Lesson," and T. J. Twentyman, advertising manager of Loveman, Joseph & Loeb, Birmingham, "The Romance Back of Life Insurance."

A defense bond and stamp campaign was launched with J. Orlando Ogle, General American, Birmingham, as state chairman, with the slogan, "Remember Pearl Harbor." Committee reports on membership were given by C. Allen Hopkins, New England Mutual Life, Montgomery; programs and speakers bureau by H. Lacy Daniel, National Life of Vermont, Birmingham; publicity, James Parker, Mutual Benefit Life, Birmingham, and educational activities, W. Sheffield Owen, Sun Life, Birmingham.

Heard Witherspoon in Nashville

NASHVILLE, TENN.—That "your national organization is more active in the interest of more than 30,000 life underwriters in the United States today than ever in its history" was the assur-

ance of John A. Witherspoon, president National Association of Life Underwriters and general agent here of John Hancock Mutual, in an address before his home association here. Mr. Witherspoon urged on both state and local organizations the greatest possible activity in the sale of defense bonds and stamps. More than 150 were present.

New Life Insurance Textbook Prepared by Minneapolis Men for High Schools There

MINNEAPOLIS—High schools of Minneapolis are to have a textbook on life insurance published by the Minneapolis Association of Life Underwriters. The book has been issued and is being placed in the schools. Additional copies will be made available to members of the association at a nominal cost.

This is the culmination of more than

two years work by the association, which found that textbooks used in Minneapolis schools were giving students misleading information about life insurance. Steps were taken to correct this situation and a year ago a committee composed of H. R. Kaufmann, Northwestern Mutual; G. C. Hurst, New York Life; Matt Nolan, Travelers, and M. C. Laughlin, Berkshire, began work with the board of education and the WPA in preparing a text and reference book for teachers and students. This committee met almost weekly for nine months with the author and project director of the WPA.

The book is entitled "The History and Development of Life Insurance, Together with an Estimate of Its Social Importance." It contains 82 mimeographed and illustrated pages and is divided into three main sections: "Historical Background of Insurance"; "American Insurance History and Experience"



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and "Life Insurance Analysis." There is an appendix of seven pages which sets out chronological steps in the science of life insurance, important men in its development and a glossary of terms. A bibliography of four pages follows and the complete text is fully annotated.

Eventually the association hopes to have the book given a state-wide distribution.

Beatrice Jones in Boston: Plan Sales Clinic Course

BOSTON—Beatrice Jones, president New York association, in addressing the Boston Life Underwriters Association, called on all life insurance workers to recognize the need of the times for united cooperation and effort. She stressed the need of company officials being more selective in the choice of general agents and managers, to choose them not so much for the volume of premiums they could produce as for their ability to train men who will be a credit to the business and add prestige to life insurance.

An educational course for agents, free to all, will be conducted Jan. 7, Jan. 21 and Feb. 4. It will constitute a special sales clinic on the general theme "Your 1942 Prospects." At the first meeting will be discussed "Where will you find them?" and "How will you approach them?" led by W. S. Cobb, Jr., New England Mutual, and J. W. Carroll, John Hancock. At the second session the topic will be "What plan will attract them?" and "How will you present it?" led by Michael Alperin, Mutual Benefit, and Frank Magee, Prudential. The final session will be devoted to "How will you choose them?" led by H. M. Faser, Jr., Penn Mutual, and W. A. Hanlon, Metropolitan.

Broaddus Named Chairman of Illinois Caravan

Lynn S. Broaddus, Chicago manager of Guardian Life, this week was appointed by A. E. McKeough, manager Occidental Life of California, and president Illinois State Association of Life Underwriters, as chairman of the caravan committee. This committee will handle arrangements and programs for the caravan of speakers which will tour the state sometime in February or March under the plan adopted at the recent annual meeting in Peoria, holding speaking programs at several points.

Furey Addresses Four Groups

W. Rankin Furey, Berkshire Life, Pittsburgh, trustee of the National association, spoke at meetings of four branches of the Pittsburgh Life Underwriters Association.

The talks were given in New Castle, Butler, Washington and Beaver Valley.

Cheyenne, Wyo.—O. M. Cordle of Casper, Wyo., spoke on "Taxes as Related to Life Insurance."

Chippewa Valley—Commending the national movement of life companies in the health field, Rev. J. H. Norenberg said at a meeting in Eau Claire, Wis., that the public is not getting enough information concerning the actual work of life insurance in keeping families together, raising and educating children, protecting widows, clearing mortgages and providing old age security. In his opinion, the public buys life insurance because it is the best way for the average person to create an estate needed to meet life situations. He said the life men must be interested in the life, health and progress of their community. By giving themselves to community service, the community will return a living to them.

Oklahoma City—At the meeting Dec. 17, the program was furnished by the Tulsa association, under direction of E. L. Allison, Tulsa program chairman. Falkner Broach of the Tulsa National Bank discussed "Inflation—Its Cause, Effect and Cure."

A feature of the sales congress Jan. 30 will be talks by a group of young producers of the state who have made outstanding success in their work. Jack Watson is chairman of the sales con-

gress committee on arrangements. Although no definite theme has been selected, the catch line being promoted by the committee is "It's Up to You!"

Palm Beach, Fla.—L. R. Nichols, Jacksonville, spoke on "More Heat and Less Fire" at the monthly meeting. About 15 were present.

Jacksonville, Fla.—Plans for a state-wide sales congress here Jan. 9-10 were announced following a meeting of the directors. Ned Patten is chairman of the committee.

At the meeting Dec. 18, Rev. A. J. Kissling, pastor Riverside Presbyterian Church, spoke:

Topeka—Harry Lucas, manager Metropolitan Life, Kansas City, talked on "What Do You Mean—Professional Life Underwriters?"

Cleveland—Paul Speicher, R. & R. Service, spoke on "There Is No Substitute for Life Insurance."

Salt Lake City—The local C. L. U. chapter furnished the program for the December meeting, with F. E. Herb, president of the chapter, in charge. Questions were handed Mr. Herb, who would designate the C. L. U. member to answer. The questions submitted embodied objections and alibis advanced by prospects. All were met and answered to the satisfaction of the questioners.

San Francisco—War scares and reality did not disturb the plans for the annual Christmas luncheon when gifts and money are gathered for the use of the Visiting Nurses Association in meeting requirements of the poor sick children under their care.

J. S. Kralick, veteran member of the United States consular service, who arrived in the United States after 14 years in central Europe, recited many experiences. He was in Prague when the Germans entered and later in Berlin and Moscow.

Jackson, Tenn.—Chester Johnson, Nashville, spoke on "The Life Insurance Agent—a Crusader for Democracy and Freedom."

Richmond, Va.—Twenty-five members have volunteered to push the defense savings campaign. Headed by President Eldon D. Wilson, who is manager of Mutual Life of New York, they are concentrating on payroll deductions.

Springfield, Ill.—A. E. McKeough, Occidental Life, Chicago, president Illinois state association, addressed a dinner meeting Thursday. H. L. Hodde, Mutual Benefit Life, also gave a talk.

Wisconsin—Frank C. Hughes, Mutual Benefit Life, Milwaukee, state chairman of the committee for promoting the purchase of national defense stamps and bonds, has announced the statewide committee, which includes Alvin Moser and Helmus Wells, Milwaukee, past presidents of the Wisconsin association; Earl E. Wheeler, Madison, now president, and the presidents of affiliated local associations.

Dallas—Stanley E. Smithson, Aetna Life, president of Fort Smith, Ark., association, pointed out that prospecting is an important link in life insurance selling efficiency and that, since obviously a chain is no stronger than its weakest link, it is important that prospecting prove not the weak link. He emphasized the necessity for prospecting with the right mental attitude.

Shreveport, La.—Foster A. Vineyard, associate general agent Aetna Life, Little Rock, spoke on "Things We Know and Things We See." While in Shreveport he was the guest of Louie E. Throgmorton, formerly of Little Rock.

Evansville, Ind.—A course of lectures on life insurance topics is being conducted, running from Nov. 1 to February. John D. Cramer, first deputy insurance commissioner, spoke on "Ethics of Life Insurance."

Dr. Riegel Buffalo Speaker

The TNEC investigation of agents' commissions was discussed by Dr. Robert Riegel, professor of insurance of the University of Buffalo, at the December meeting of the Buffalo C. L. U. chapter.

Arthur L. Beck, program chairman, announced that speakers are being secured to talk on sociology, government, wills, trusts, business insurance and other subjects. In March the chapter will hold a joint meeting with students and in April it will unite with the Buffalo Life Underwriters Association for a meeting.

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NEWS ABOUT LIFE POLICIES

By JOHN H. RADER

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem." Published Annually in May and March respectively. PRICE, \$5.00 and \$2.50 respectively.

Continental of Chicago Announces New Non-Par Rates

Continental Assurance has released its new rate book which becomes effective Jan. 1. This embraces a general rate revision placing all non-participating policies on a 3 percent basis. Ordinary life and higher premium forms have the same values as the corresponding participating forms and are on the American experience 3 percent New Jersey standard. The expectancy term policy and the double and triple protection contracts are on the American men 3 percent basis.

Expectancy Term Rates

The expectancy term rates are very little higher but the period of expectancy is on the American men table, which gives a longer term. During the first nine months of this year 20.6 percent of the Continental's business was on participating forms. Non-par ordinary adult business constituted 40.2 percent of the business, endowment adult business 21.4 percent and term 10.7 percent.

The best sellers have been the triple to 65 form which during the first nine months comprised 11½ percent of the business and ordinary non-par, which comprised 11.4 percent. The leading participating form has been modified life, which produced 10.8 percent of the business. Below are given the new non-participating rates for several representative contracts:

Age	Ord. Life	20 Pay. Life	20 Year End.	Ins. with Age 60	Dbl. Prot. Age 65
10	\$11.95	\$9.26	\$4.63	\$16.80	....
11	12.15	9.50	4.72	17.28	....
12	12.36	9.76	4.75	17.80	....
13	12.58	10.02	4.78	18.34	....
14	12.81	10.29	4.81	18.89	....
15	13.06	10.57	4.84	19.48	....
16	13.29	10.85	4.87	20.08	....
17	13.55	11.14	4.90	20.71	....
18	13.83	11.43	4.93	21.39	....
19	14.11	11.72	4.96	22.10	....
20	14.41	12.02	4.99	22.83	\$22.27
21	14.72	12.33	5.02	23.60	23.67
22	15.04	12.64	5.05	24.38	23.00
23	15.38	12.96	5.08	25.22	23.39
24	15.74	13.29	5.11	26.10	23.80
25	16.13	13.63	5.14	27.03	24.22
26	16.59	14.00	5.17	28.02	24.67
27	17.05	14.37	5.20	29.07	25.13
28	17.55	14.75	5.23	30.19	25.62
29	18.07	15.14	5.26	31.38	26.12
30	18.62	15.54	5.29	32.64	26.66
31	19.20	15.95	5.32	33.99	27.24
32	19.79	16.37	5.35	35.44	27.84
33	20.43	16.80	5.38	36.94	28.49
34	21.10	17.24	5.41	38.50	29.21
35	21.81	17.69	5.44	40.13	30.05
36	22.58	18.15	5.47	41.83	30.97
37	23.41	18.62	5.50	43.60	32.00
38	24.30	19.10	5.53	45.45	33.15
39	25.26	19.59	5.56	47.37	34.41
40	26.27	20.09	5.59	49.37	35.80
41	27.29	20.60	5.62	51.45	37.10
42	28.37	21.12	5.65	53.60	38.28
43	29.51	21.65	5.68	55.83	39.33
44	30.72	22.19	5.71	58.14	40.20
45	31.99	22.74	5.74	60.53	41.22
46	33.31	23.30	5.77	63.00	42.47
47	34.70	23.87	5.80	65.55	43.82
48	36.18	24.45	5.83	68.18	45.20
49	37.74	25.04	5.86	70.89	46.62
50	39.39	25.64	5.89	73.68	48.05
51	41.13	26.25	5.92	76.55	49.50
52	42.97	26.87	5.95	79.50	50.96
53	44.92	27.50	5.98	82.53	52.41
54	46.99	28.14	6.01	85.64	53.83
55	49.19	28.79	6.04	88.83	55.15
56	51.51	29.45	6.07	92.10	....
57	53.97	30.12	6.10	95.55	....
58	56.59	30.80	6.13	99.10	....
59	59.36	31.49	6.16	102.75	....
60	62.30	32.19	6.19	106.50	....
61	65.44	32.90	6.22	110.35	....
62	68.76	33.62	6.25	114.30	....
63	72.28	34.35	6.28	118.35	....
64	76.04	35.09	6.31	122.50	....
65	80.05	35.84	6.34	126.75	....

*Male \$10 monthly; female \$8.96.

Below are given the new premiums on four additional non-par forms: triple

protection, life expectancy, paid up at 65 and five year term.

Age	Triple Prot.	Term Rate	Life Expect.	Life of Ins.	Pd. up at 65	5 Yr. Term
10	....	....	....	....	\$12.42	....
15	....	....	....	....	13.69	....
20	\$30.29	\$10.69	46	15.35	\$ 8.19	....
21	30.67	10.85	45	15.79	8.28	....
22	31.07	11.02	44	16.25	8.35	....
23	31.48	11.19	43	16.74	8.40	....
24	31.90	11.39	42	17.25	8.45	....
25	32.34	11.79	41	17.79	8.49	....
26	32.81	12.00	40	18.38	8.53	....
27	33.28	12.22	39	19.00	8.59	....
28	33.78	12.46	38	19.66	8.59	....
29	34.30	12.98	37	20.37	8.63	....
30	34.84	13.25	36	21.12	8.68	....
31	35.40	13.54	35	21.90	8.74	....
32	35.98	13.84	34	22.72	8.84	....
33	36.59	14.16	33	23.59	8.96	....
34	37.21	14.48	32	24.52	9.13	....
35	37.87	15.30	31	25.55	9.31	....
36	38.56	15.78	30	26.69	9.54	....
37	39.28	16.29	29	27.92	9.80	....
38	40.04	17.25	28	29.25	10.10	....
39	40.83	17.84	27	30.65	10.45	....
40	41.67	18.46	26	32.16	10.85	....
41	42.57	19.08	25	33.78	11.30	....
42	43.57	20.30	24	35.52	11.81	....
43	44.70	21.04	23	37.41	12.38	....
44	46.00	21.82	22	39.46	13.00	....
45	47.52	23.33	21	41.70	13.71	....
46	....	24.21	20	44.16	14.44	....
47	....	25.15	19	46.91	15.25	....
48	....	26.14	18	50.03	16.15	....
49	....	28.07	17	53.60	17.16	....
50	....	29.25	16	57.73	18.26	....
51	....	30.56	15	62.48	19.53	....
52	....	31.89	14	67.89	20.91	....
53	....	34.18	13	74.00	22.43	....
54	....	35.72	12	80.97	24.09	....
55	....	37.35	11	88.72	25.89	....
56	....	40.11	10	....	27.85	....
60	....	49.70	14	....	37.61	....

†\$3,000 to age 50, \$2,000 to age 65, \$1,000 thereafter.

Postal Union Brings Out New Policies

New streamlined participating policies designed by W. A. Munster, actuary, and a new rate book, effective Jan. 1, were announced by J. L. Maritzen, vice-president of Postal Union Life. The policies feature a brief outline of the coverage on the title page with direct, simplified language in the insuring and consideration clauses.

All policies include policyholders health service providing for optional health consultation each policy year and

premium deposit privilege, under which additional deposits may be made at 3½ percent interest.

There are: Double protection to age 60, par and non-par, providing \$2,000 protection to age 60 and \$1,000 thereafter, with reduction in premium at age 60; family protection riders providing \$10 per month income to beneficiary for 10, 15 or 20 years after death of insured, face amount being payable in lump sum at end of income period; child's coupon savings, participating, with coupons to

mature in 20 years as endowment for \$750 or \$1,000; monthly guaranteed savings policy with cash value equal to all premiums deposited at end of 20 years; endowment at 65, par and non-par, including life income option which may be applied at age 60 or 65.

Other Forms Being Written

A family group policy will be written on the endowment at age 85 plan, non-par, and the life expectancy policy includes a maturity deposit provision un-

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der which policy may be made paid-up at life expectancy age by additional deposits.

Premium rates remain on a 3½ percent basis, but settlement options are on 3 percent with a provision for excess interest earnings on funds remaining with the company.

Non-par rates have been slightly increased on all forms except term, with a minimum policy of \$1,500. Extensive premium rate tests on the American Men table on all plans result in a decrease in term rates at younger ages.

Postal Union's new business in the life department indicates an increasing number of smaller policies being issued, the total number of policies issued being about 20 percent greater than last year, and total insurance issued slightly under last year.

The accident and health business has greatly increased, the number of applications being 65 percent more than last year.

Conn. Savings Bank Rates Announced

HARTFORD—Trustees of the Connecticut Savings Bank Life Insurance Fund have announced rates on the various forms of insurance the banks in the state will offer Jan. 1. The schedule has been approved by the Connecticut insurance department. Generally speaking, the rates are lower than those applying in New York state and higher than those in Massachusetts.

Initially six forms of policies will be written. All will be on a participating basis with dividends payable to policyholders at the end of each policy year, including the first.

The following tabulation gives annual rates in Connecticut as compared with those prevailing in the New York and Massachusetts systems for \$1,000 of life insurance:

\$1,000 Straight Life			
Age	Conn.	N. Y.	Mass.
20.....	\$16.11	\$16.49	\$14.85
40.....	28.68	28.07	26.23
20-Payment Life			
20.....	25.11	26.26	24.44
40.....	38.04	37.47	35.45
Paid Up at Age 65			
20.....	17.43	17.49	.....
40.....	33.94	33.14	.....
End. Maturing at 65			
20.....	19.16	19.50	17.81
40.....	39.39	39.10	37.06
20-Year Endowment			
20.....	45.88	46.01	43.85
40.....	48.88	48.52	46.31
Five-Year Term			
20.....	8.74	9.40	8.11
40.....	11.40	12.10	11.44

*Not written in Massachusetts.

State Mutual Sharply Increases Limits of Risk

State Mutual Life announced an immediate increase in its limits of risk. The new higher limits affect all life and endowment plans. The increase adds approximately 50 percent to the former limits between ages 21 and 49, inclusive, and the move affects other ages on a graduated scale.

State Mutual is now working on the revised schedule, which will be printed and released to agents during the month. Offices are instructed to inquire about specific cases in the meantime.

Columbus Mutual Correction

In the edition of THE NATIONAL UNDERWRITER of Dec. 5, in tabulation "Other Dividend Announcements" the 1942 scale of Columbus Mutual is shown as being the same as 1941, which is true if referring to the schedule announced Jan. 1, 1941, to apply to 3 percent policies which Columbus Mutual began issuing as of such date. In other words, Columbus Mutual of course has not paid any dividends on this scale at all, but will begin Jan. 1, 1942, and, as stated, there is no increase over the previously announced schedule. When preparing such schedule Columbus Mutual intended to increase the schedule in 1942 to apply to

New Equitable, N. Y., Dividend Scale for '42 Announced

Equitable Society announced its 1942 dividend scale on ordinary business, this being a total distribution of approximately the same amount as in 1941, although individual dividends have been completely revised, with some increases and decreases. The revision reflects downward trend in interest rates and some liberalization in distribution of

earnings attributable to other factors.

A general reduction from the 1941 scale occurs in the dividends on all annuity contracts. No dividends will be paid in 1942 on any 3 percent or 3½ percent deferred annuity contract issued prior to Dec. 17, 1938, nor is any excess interest provided for in the new scale on 3 percent participating settlements of policy

proceeds.

The new option 1(b) for which the guaranteed interest is 1½ percent will receive excess interest of ½ percent, or a total of 2 percent, and dividend deposits will continue to be accumulated at 3 percent with no excess interest. Illustrative new dividends compared to the 1941 scale are:

ORDINARY LIFE—\$1,000											
Age 20			Age 30			Age 40			Age 50		
Year	1941	1942	Year	1941	1942	Year	1941	1942	Year	1941	1942
2	\$5.59	\$5.62	2	\$6.34	\$6.40	2	\$6.86	\$6.93	2	\$6.69	\$6.80
3	5.81	5.81	3	6.64	6.65	3	7.06	7.09	3	7.03	7.06
4	6.03	6.00	4	6.94	6.90	4	7.27	7.23	4	7.35	7.30
5	11.70	11.67	5	13.40	13.36	5	14.30	14.26	5	14.26	14.19
6	6.48	6.37	6	7.46	7.34	6	7.69	7.55	6	8.16	7.94
7	6.64	6.53	7	7.59	7.48	7	7.79	7.66	7	8.48	8.27
8	6.80	6.69	8	7.73	7.62	8	7.89	7.76	8	8.78	8.58
9	6.96	6.86	9	7.88	7.77	9	7.99	7.87	9	9.08	8.89
10	7.12	7.02	10	8.02	7.92	10	8.09	7.99	10	9.37	9.19
15	7.83	7.80	15	8.05	8.07	15	8.27	8.33	15	11.37	11.40
20	8.18	8.27	20	8.10	8.28	20	8.98	9.25	20	13.32	13.61
20 Yr.			20 Yr.			20 Yr.			20 Yr.		
Total	141.05	140.41	Total	152.65	152.47	Total	159.70	159.94	Total	194.89	194.47

MODIFIED TWO-WHOLE LIFE—\$1,000											
Age 20			Age 30			Age 40			Age 50		
Year	1941	1942	Year	1941	1942	Year	1941	1942	Year	1941	1942
2	\$4.97	\$4.99	2	\$6.11	\$6.16	2	\$7.24	\$7.27	2	\$7.24	\$7.27
3	5.88	5.87	3	7.16	7.17	3	9.50	9.50	3	9.50	9.50

RETIREMENT INCOME—MALE at 65—\$1,000											
Age 20			Age 30			Age 40			Age 50		
Year	1941	1942	Year	1941	1942	Year	1941	1942	Year	1941	1942
2	\$5.26	\$5.32	2	\$7.13	7.26	2	\$9.22	9.49	2	\$9.22	9.49
3	5.83	5.85	3	8.09	8.18	3	11.11	11.33	3	11.11	11.33

3% CONVERTIBLE—\$1,000											
Age 20			Age 30			Age 40			Age 50		
Year	1941	1942	Year	1941	1942	Year	1941	1942	Year	1941	1942
2	\$6.01	\$6.08	2	\$7.50	\$7.62	2	\$9.42	\$9.67	2	\$9.42	\$9.67
3	6.28	6.32	3	7.78	7.85	3	10.59	10.70	3	10.59	10.70
4	6.55	6.56	4	8.07	8.09	4	11.75	11.73	4	11.75	11.73
5	12.66	12.67	5	15.76	15.80	5	22.07	22.03	5	22.07	22.03

Option A											
Age 20			Age 30			Age 40			Age 50		
Year	1941	1942	Year	1941	1942	Year	1941	1942	Year	1941	1942
6	7.10	7.04	6	8.66	8.59	6	14.06	13.79	6	14.06	13.79
7	7.28	7.23	7	8.83	8.78	7	14.88	14.65	7	14.88	14.65

Option C per \$1,000 of Original Amount											
Age 20			Age 30			Age 40			Age 50		
Year	1941	1942	Year	1941	1942	Year	1941	1942	Year	1941	1942
6	9.82	9.71	6	11.06	10.91	6	15.75	15.33	6	15.75	15.33
7	10.06	9.95	7	11.20	11.06	7	16.72	16.30	7	16.72	16.30

Option D											
Age 20			Age 30			Age 40			Age 50		
Year	1941	1942	Year	1941	1942	Year	1941	1942	Year	1941	1942
6	5.94	5.93	6	6.68	6.69	6	9.38	9.29	6	9.38	9.29
7	6.08	6.08	7	6.77	6.79	7	10.02	9.92	7	10.02	9.92

ECONOMIC ADJUSTMENT											
Age 21			Age 40			Age 54			Age 60		
Year	1941	1942	Year	1941	1942	Year	1941	1942	Year	1941	1942
2	\$3.30	\$3.32	2	\$3.67	\$3.70	2	\$3.45	\$3.52	2	\$3.45	\$3.52
3	3.50	3.49	3	3.88	3.86	3	3.96	3.93	3	3.96	3.93
4	3.70	3.65	4	4.10	4.02	4	4.46	4.32	4	4.46	4.32
5	7.48	7.51	5	8.21	8.20	5	7.94	7.78	5	7.94	7.78

Premium Increased After 5th Year											
Age 20			Age 30			Age 40			Age 50		
Year	1941	1942	Year	1941	1942	Year	1941	1942	Year	1941	1942
6	6.17	6.18	6	7.22	7.25	6	8.42	8.47	6	8.42	8.47
7	6.41	6.38	7	7.45	7.43	7	9.23	9.18	7	9.23	9.18
8	6.65	6.59	8	7.68	7.61	8	10.05	9.90	8	10.05	9.90
9	6.90	6.79	9	7.92	7.78	9	10.88	10.61	9	10.88	10.61
10	7.07	6.97	10	8.03	7.90	10	11.47	11.21	10	11.47	11.21

Original Premium Continued											
Age 20			Age 30			Age 40			Age 50		
Year	1941	1942	Year	1941	1942	Year	1941	1942	Year	1941	1942
6	4.10	3.98	6	4.53	4.34	6	5.42	5.07	6	5.42	5.07
7	4.25	4.11	7	4.65	4.45	7	5.85	5.48	7	5.85	5.48
8	4.39	4.25	8	4.77	4.56	8	6.28	5.89	8	6.28	5.89
9	4.54	4.39	9	4.89	4.67	9	6.71	6.30	9	6.71	6.30
10	4.68	4.53	10	5.00	4.78	10	7.15	6.70	10	7.15	6.70

FIVE YEAR TERM—\$1,000											
Age 20			Age 30			Age 40			Age 50		
Year	1941	1942	Year	1941	1942	Year	1941	1942	Year	1941	1942
2	\$2.61	\$2.61	2	\$2.16	\$2.16	2	\$1.73	\$1.73	2	\$1.73	\$1.73
3	2.77	2.74	3	2.31	2.26	3	2.42	2.31	3	2.42	2.31
4	2.94	2.88	4	2.46	2.35	4	3.11	2.85	4	3.11	2.85
5	5.95	5.94	5	4.86	4.81	5	4.34	3.98	5	4.34	3.98
5 Yr.			5 Yr.			5 Yr.			5 Yr.		
Total	14.27	14.17	Total	11.79	11.58	Total	11.60	10.90	Total	11.60	10.90

Year	Scale	Scale	Scale	Scale	Year	Scale
2	\$2.61	\$2.61	\$2.16	\$2.16	\$1.73	\$1.76
3	2.77	2.74	2.31	2.26	2.42	2.31
4	2.94	2.88	2.46	2.35	3.11	2.85
5	5.95	5.94	4.86	4.81	4.34	3.98
5 Yr.						

Occidental Life of Cal., for some time has had the common restrictions as to A-1 classifications and so forth but now has a stricter war clause applicable to many more classifications under con-

sideration and is expected to announce it very soon.

Canada Life now has a war and aviation rider in effect, applicable to all single males ages 16-45, to married males not over 35 and to all females in the armed forces. It excludes coverage, other than return of premiums, outside the home areas of Canada and United States, and also has aviation exclusion. Canada Life will write the full coverage at an extra premium, which now is quoted at \$90 per \$1,000, the same as is being applied in Canada, this to be paid in cash in advance annually before sailing outside the continental limits.

Aetna Life announced a war clause effective last Saturday on all males insuring ages 15-36, or born since Oct. 15, 1905, and also on all older ages in service or reserves. Aetna will continue to use its partial aviation rider on all applicants ages 15-28 and other cases where there appears to be a military hazard. The clause will be applied to policies issued to many nurses and a form of questionnaire relating to military intentions must be secured on all male applicants ages 37-50 and on all nurses.

Short Period for Reporting

According to these rules, Aetna is applying the clause to all applications except those written prior to close of Dec. 13 and received within the home office within 10 days thereafter, and will not waive war clause on additional or extras ordered after application is mailed to the home office.

The Aetna's clause excludes deaths from military and naval causes within two years outside continental limits of the United States and Canada and while in military or naval service, including aviation, of any country at war, declared or undeclared, or occurring within six months after discharge from such service, unless proof is submitted that death occurred within the home areas of the United States and Canada and did not result from engaging in such service.

In case of such military death a limited benefit will be paid which on a nonparticipating policy will be the premiums paid plus 3 percent interest and on a participating policy premiums paid, plus interest, plus dividends and interest, plus reserve on existing paid up insurance purchased by dividends, decreased by dividends apportioned and credited to policy with 3 percent interest compounded annually. The incontestability provision is amended to include the words "and except for the conditions of this policy relating to military or naval service."

Guardian Life's Restrictions

Guardian Life has just put a war clause in effect everywhere except in Illinois, where its clause still is waiting approval. It applies to all military or naval deaths outside the United States or occurring six months after termination of war and in case of such deaths would return only premiums paid. It is applicable to males ages 16-35, inclusive, as yet there being no stipulation as to women. The aviation rider is attached as well.

Reliance Life of Pittsburgh, which some time ago put in effect a clause applying to ages 18-28 and not classed as 3-A under selective service, has revised its age limits and rules. The war exclusion now is in effect down to and including age 16 nearest birthday, or all born after Oct. 16, 1904, except such applicants as are classed 3-A or would be so classed.

The clause excludes protection for military deaths outside the United States and District of Columbia and also those inside this country, and for six months after termination of hostilities. It also has the usual two-year provision relating to travel outside the country.

Occupational Extra Premiums

This company in January announced a scale of occupational extra premiums applicable to all those who might be involved in war, in one form or another, the 1-A classification under the selective

service carrying an extra premium of \$5 per \$1,000. This entire scale remains unchanged. The premium is charged according to this scale even though the war clause be attached.

Ohio National imposed a war clause as of Dec. 15 on ages 15-35 and any other males in the service, including R.O.T.C. in colleges, coast guard, national guard, naval and military academy, reserve, etc., and also carries the aviation exclusion rider. No mention is made of women, although it is likely as with most companies such submissions will be underwritten depending upon the occupational hazards, such as nursing, etc. The clause excludes coverage for military death everywhere both outside and within the United States.

Great West Life applied a war clause on its new submissions in the United States as of Dec. 10. It is a most liberal clause, excluding only military and aviation deaths (not limiting fare paying passengers in commercial airplanes) on single males ages 18-30, outside of the United States, Canada and Newfoundland.

Midland Mutual's Action

Midland Mutual issued new war risk rules effective Dec. 15. It applies the war clause to all the single male applicants ages 15-37, and on other applicants where it is indicated any kind of military or naval service is contemplated. A partial aviation exclusion form also will be attached.

Not more than \$5,000 of new insurance will be issued to any such applicant. Insurance will not be issued to such applicants on any term plan, or on the family maintenance, family provider or paid-up at age 85 plan. Neither disability nor accidental death benefits will be granted in connection with policies so issued.

The war clause provides full coverage, except for aviation, while the insured is in the United States and Canada even though he may be in military or naval service.

Continental Assurance Plan

The Continental Assurance this week announced its clause, which was forecast in the edition last week. It was made effective immediately on all new policies where there is an obvious military hazard. The exclusion is for two years if death is due to any war while the policyholder is traveling or residing abroad; five years if death occurs while in wartime military or naval service outside the continental United States; 10 years if death is due to participation in aviation, other than as a fare-paying passenger on a scheduled flight.

The military clause expires automatically in five years and does not bar policyholders from protection unless they are outside continental United States.

"Obvious military hazard" is interpreted to cover all males ages 15-30 inclusive; persons expected to enlist or be drafted; college students receiving aviation or R.O.T.C. training; members of the armed forces of United States or any other country; all other persons where the company regards military hazard as probable.

The incontestability clause was modified to correspond.

Manufacturers Life Clause

An aviation and war risks exclusion clause was applied by Manufacturers Life, Toronto, in policies sold through its United States branches to American citizens. The clause provides for payment of only a limited benefit if death results:

"From any cause while serving beyond the limited area defined below in any military, naval or air force of any country at war, whether war be declared or not; or within six months of the termination of such service if death results from injury or disease incurred or contracted while in such service; or 'Directly or indirectly from travel or flight in any type of aircraft, except travel as a fare-paying passenger; or 'Directly or indirectly from war, whether war be declared or not, if death occurs within two years of the date of

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issue of this policy and the cause of death arises while the life insured is traveling or residing beyond the limited area."

The company defines the limited benefit "the sum of the premiums paid hereunder (less any dividends withdrawn in cash or applied as a reduction of premiums) with interest at the rate of 3 percent per annum, compounded annually, or the reserve on this policy, if greater, (including the reserve on any bonus additions and dividends on accumulation). Any indebtedness to the company in respect of this policy shall be deducted from the said limited benefit and the amount so payable shall in no event exceed the amount which would have been payable in the absence of this clause."

"The limited area shall mean the continents of North and South America including the West Indies, the Bermudas and Newfoundland."

Clauses for use in Pennsylvania and Illinois differ slightly from that shown, but the essential meaning is the same.

The following question will be incorporated in all United States forms: "Are you a reservist or member of any (United States or other) army, navy, air force, marine corps, coast guard or national guard, active or inactive, or do you contemplate enlisting or becoming a member of any such organization?"

Kansas City Life Changes

Kansas City Life will go to a 3 percent reserve basis Jan. 15 and has adopted a broader war clause. All premium rates will be increased and reserves and non-forfeiture values computed on 3 percent, instead of 3½ percent, as at present, President W. E. Bixby explained.

The war clause becomes effective Jan. 5, and will be attached to policies issued to all single men ages 15-30, inclusive.

Directors of Provident Mutual Life approved adoption of a war clause, President M. A. Linton wired field men. The clause will apply to policies issued on applications mailed from the agencies after Dec. 21. Further details will be furnished later.

Church Life is now requiring a war exclusion clause in all its new policies beginning Dec. 15.

SITUATION IN TEXAS

Texas life company executives were caught off guard by the suddenness of war but began working immediately on getting policies printed and approved by the insurance commission with war clauses which would restrict liability in the event of death in war service.

In Dallas increased business was reported. Some Dallas companies already have a war clause in their policies, some were applying for approval of clause and others were waiting for developments.

"I think we will have a war clause soon in our policies," Arthur Coburn, vice-president of Southwestern Life, stated. Many calls were received from persons asking if war clauses of 1917-1918 policies still were in effect. Mr. Coburn noted that all companies canceled war clauses in 1919.

Paul V. Montgomery, vice-president and actuary of Southland Life, said that Southland had not made a decision but the problem would be discussed immediately.

Great National Has Clause

Great National Life has had a war clause in some policies since July 1, and plans to extend it to all lines, S. P. Hay, president, announced.

"We are considering a war clause now and will include it very promptly," Earl B. Smyth, president of Fidelity Union Life, said.

United Fidelity Life intends to put a war clause in effect in future policies within a week, D. Easley Waggoner, vice-president and general manager, said. A clause was drafted six months ago.

Republic National has had a war clause in policies over \$2,500 since July 1, and the clause will be more severe

in the future, M. Allen Anderson, director of agencies, announced.

R. P. Baxter, president of Rio Grande National Life, said the clause would be put in ordinary life policies the first of the year, but not in industrial policies.

Any person in the service inside the United States will not be affected by the war clause of Reserve Loan Life of Texas, Paul C. Moore, actuary, stated.

MINNESOTA STATUS

ST. PAUL—Entry of the United States into the war is expected to speed up court proceedings in Minnesota involving aviation exclusion riders. The legality of such riders is facing appeal to the state supreme court following a favorable verdict for the Minnesota Mutual Life in the lower court. The state is appealing and has prepared a brief for submission but under ordinary conditions the case would have to take its turn, which might mean several months before the court would pass upon the matter.

In the meantime the insurance department is refusing to accept any war clause filings which include an aviation exclusion rider. It is probable an effort will be made to get the supreme court to give the case right of way. In the meantime many Minnesota agencies report a rush of business from men who want to get covered before war clauses and aviation exclusion go into effect.

FISCHER ATTITUDE

DES MOINES — Commissioner Charles R. Fischer of Iowa, upon returning from the midyear meeting of the National Association of Insurance Commissioners, said he would be opposed to war clauses that charged additional premiums.

He removed the ban on an out-right war clause in Iowa while attending the meeting in New York. He said there was some discussion at the meeting of adding extra premiums on those fighting in the war instead of limiting death payments to premiums or reserves, but that he would oppose such a move.

The premium rate discussed was far too excessive, Fischer said, for in event of a long war some policyholders would pay much more than the actual value of their policy.

The Iowa commissioner also is opposed to placing a war clause on civilians killed as a result of the war. Most of the war clauses being submitted to the Iowa department are being approved and the only ones receiving rejections are those more severe than the uniform rider generally favored at the commissioners' convention.

Canadian Companies Make Changes in War Clause Classes, Extra Premiums

TORONTO—Revisions of extra premiums for war risks in life policies in Canada in the main involve higher rates where rate changes have been made.

Changes also were made in various groupings and classifications. In the section of the extra premium schedule, under the caption "Combatant Units," the sentence "For the present, members of the military service may be covered while in Bermuda without payment of an extra premium," has been omitted.

The more important changes in premiums and groupings were applicable to service units, where maximum premium recommended was advanced from \$40 to \$90 per \$1,000; the aviation section where the suggested premiums cover a broader scope than previously. New clauses involving suggested coverages for radio technicians have been included, as well as for Canadian firemen going to England to assist in fire prevention work.

Extra minimum premiums were rec-

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commended to Canadian life companies by the Canadian Life Insurance Officers Association. The extra premiums were proposed to be continued throughout the period of war service, even if a change in extra premiums is decided upon for future quotations. Instalment payments of less than annual premium are considered practical, except in the case of pilots in course of training, who, it was recommended, should be required to pay on an annual basis.

For military service outside the home areas, extra annual premiums per \$1,000 under the new scale are: Combatant units, except aviation, \$90; service units, army service corps, \$90; pay, postal, veterinary, ordnance, forestry and army medical corps, except nurses, and chaplains, \$40; nurses, \$25.

Naval and marine service outside of home areas: Naval service, no specific recommendation. A number of member companies currently quote \$90.

Mercantile marine, \$50, with regular war clause excluding section relating to travel.

Aviation service in home areas: Pilots in training \$60, with no refund for any uncompleted portion of policy year upon leaving home areas; experienced pilots (300 or more flying hours)—non-commissioned pilots and pilot officers, \$40; flying officers, \$35; flight lieutenants, \$25; squadron leaders, \$20; wing commanders, \$15; civilian aviation instructors, \$40; observers, gunners, radio operators and photographers, \$35; all other air force personnel (officers and men), those who have flown or are likely to fly not more than one hour per month, \$5; those who have flown or are likely to fly more than one hour per month, \$10-\$40.

It was recommended, if their duties in the air service change, they be required to notify the company and pay such extra premium as the company may require.

Radio technicians—Officers and men who have taken or are taking special courses as radio technicians, same extra premium as applicable to men in same branch of armed forces with comparable duties to cover flying when in home areas or to provide full cover when outside home areas.

Non-combatant service outside home areas, such as Canadian Legion, Salvation Army, Y. M. C. A., K. of C., etc., \$40.

Canadian firemen going to England to assist in fire prevention work, \$40.

Waiver of provision in war clause respecting civilian travel and residence: Within North and South America, including West Indies, Bermudas, Newfoundland and waters lying between same, no extra; travel to or residence in area outside above, extra premium depending on length of travel or residence, number of trips, etc. (Example: A policyholder traveling to England for residence of three months, not less than \$15 per \$1,000 for return trip.)

Spencer Home Life General Counsel

Home Life of New York has elected Howard C. Spencer as general counsel.

Mr. Spencer was formerly counsel for the New York department and later first deputy superintendent. He graduated from Harvard College in 1923 and Harvard Law School in 1926. He was associated with his father in practice in Rochester, N. Y. until 1931, at which time he joined the New York department. In 1933 he was made department counsel. In 1935 he was made first deputy superintendent. In 1936 he resigned to return to practice in Rochester. Mr. Spencer has just completed a term as chairman of the section of insurance law of the American Bar Association.

Mr. Spencer succeeds B. R. C. Low, who died last June.

The General Agents & Managers Association of San Francisco is holding a Christmas party Friday. Master of ceremonies will be Donald A. Hampton, Provident Mutual, president of the association.

Japanese Agents, Insured Constitute Problem on Coast

SAN FRANCISCO—Life companies employing Japanese agents and writing Japanese risks are complying with the rules and regulations issued by the United States treasury department.

There are about 50 to 60 Japanese life agents on the Pacific Coast, 20 with West Coast Life, which has long operated in the Philippine Islands, China and Hawaii. However, this company, sensing future trouble many months ago, gradually revamped its methods and at present has completed transfer of its funds from Shanghai, Manila and Hawaii to this country.

West Coast Life's Japanese agents are believed to be American-born but they have been requested to submit to the company certified copies of their birth certificates, plus an affidavit to show whether or not they have lost their citizenship by reason of residence in Japan. Japanese policyholders also have been requested to submit the same information. Other Japanese policyholders—non-citizens—get no receipt for their premium other than an acknowledgment which states that the money is being held subject to federal regulations.

Status of Non-Citizen Agents

Agents who might not be American citizens are advised that they must go to the Federal Reserve Bank or nearest office of the treasury department and obtain a special license to sell insurance. The company is not accepting any business from any Japanese nationals, and the company cannot pay agents who are non-citizens more than \$100 a month—and this is subject to modification if the agent receives money from any other source—the total permissible being \$100 to such persons from all sources.

The same conditions prevail for other companies in the country. The company can have no transactions with Japanese nationals without reporting to the treasury department and obtaining a license.

West Coast Life sold all of its securities in China some time ago and brought the funds to this country, according to Harry J. Stewart, vice-president, who said the company has about \$20,000,000 in force in the Philippines and China with about \$13,000,000 net. However, most of this business, particularly in China, is on the lives of Caucasians, many of whom have been evacuating for the past 15 months, so that only a comparatively few remain.

The offices in Shanghai have been closed and A. Dewar, who has been manager there for several years, planned to leave for this country Dec. 8 but is now "caught" as a result of the war.

West Coast Life said there is an increasing demand for loans from Hawaii and the Philippines and that it has tightened up on its writings in those sections with a full war clause. The latter has been applied in China on citizens of belligerent nations for some time.

LOS ANGELES PROBLEMS

LOS ANGELES—Los Angeles insurance offices, including both home offices and general agencies, having Japanese agents and brokers and writing Japanese business face more of a problem in regard to that class of business than in any other city in the country, due to the large Japanese colony residing here and in the contiguous territory, such as the vegetable growing regions around the city and county.

However, the life companies have Japanese agencies in southern territory that do a substantial business, all of which now is banned. In Los Angeles proper companies either having strictly Japanese agencies or agencies that have Japanese agents include California Mutual Life, California-Western States, Manufacturers Life of Canada, Occiden-

tal Life of California, Sun Life of Canada.

The life companies doing most of this Japanese business are Sun Life of Canada, California-Western States and Occidental. They either stopped writing the business of their own volition as soon as the Japanese made their attack on Honolulu, or did so in conformity with the Treasury regulation.

Leading Agencies Honored

President O. J. Arnold, Northwestern National Life, who acted as chairman of the annual meeting of the Life Presidents Association in New York City, invited the heads of the five leading agencies of his company to be present: A. R. Hustad and Ray Haberman, White-Odell Agency, Minneapolis; Raymond J. Wiese, Chicago; William Creary, Fargo, N. D.; Homer Hewitt, Houston, Tex., and E. P. Balkema, Detroit.

Anzel Agency November Leader

The Anzel Agency of New York led all other agencies of Continental American Life in November, standing second for the year at the end of November. Jules Anzel, general agent, is a law graduate and graduate of the agency management school of the Sales Research Bureau. He joined Continental American in 1932.

Harp Named Head of Great American

Leon Harp has been advanced from vice-president to president of Great American Life of San Antonio. He succeeds Charles E. Becker, founder of the company, who will devote more of his time now to Franklin Life, of which he is president. Mr. Becker will continue as a director and member of the executive committee of Great American.

Mr. Harp has been closely associated with Mr. Becker for years. He is a Texan, and is a director of Franklin Life. He will supervise activities of both companies very largely in their Texas operations.

Mr. Harp served under six Texas secretaries of state, and three years ago was president of the National Association of Securities Commissioners.

Levesque Heads Newark Cashiers

NEWARK—At the annual meeting of the Life Agency Cashiers' Association Tuesday, Edgar A. Levesque, John Hancock Mutual, was elected president, succeeding George Adams, the retiring president. Vice-president is William Fleming, Phoenix Mutual, secretary William Webb, Mutual Life.

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LEGAL RESERVE FRATERNALS

Berenheim New President of Colo.-Wyo. Congress

John Berenheim of Maccabees was elected president of the Colorado-Wyoming Fraternal Congress at the annual meeting in Denver, succeeding Miss Olga Sorensen, Woodmen Circle, who takes the post of past president.

Other new officers are: First Vice-president, Mrs. Amanda H. Findling, Neighbors of Woodcraft; second vice-president, Miss Mary Murray, Woman's Benefit Association; treasurer, George Rule, Modern Woodmen of America; secretary, Hyman D. Landy, Woodmen of the World, Denver.

William C. Blair and Miss Ora Sloan, examiners, represented the insurance department. Mr. Blair extended the greetings and stated relations between the department and fraternal always have been friendly.

Miss Sorensen presided. B. B. Jones, Ben Hur, was installing officer.

The principal address was delivered by J. A. Marsh, former attorney of the city and county of Denver, on "Fraternalism Essential to Democracy." He is affiliated with Modern Woodmen.

Fraternalism "Cure for War"

"Fraternalism is an absolute cure for war," he said. He stated America, and the United States in particular, is the oldest of the large democracies because the government is the best. We have breathed the spirit of fraternalism. Fraternalism is essential to our lives."

Miss Anna B. Spangler, past president of the Congress, sent a telegram extending greetings.

Mrs. Dora Alexander Talley, national president of Woodmen Circle and past president of National Fraternal Congress, also sent greetings.

The congress memorialized by resolution the late Peter F. Gilroy, of W.O.W., Denver, one of the organizers of the congress. It also passed a resolution authorizing and directing the treasurer to purchase with congress funds a \$100 defense bond and urging societies to rally to aid of our country in this emergency.

Secretary Landy reported on the activities. He told of vicious tax measure in the Wyoming legislature that was killed in committee, and also reported on a number of successful meetings of the congress. Membership consists of 26 societies.

Hudson Speaks on Safety

PORTLAND, ORE.—The Fraternal Life Underwriters Association was addressed by H. S. Hudson, great commander of Maccabees, on "The Relationship of Insurance Laws to the Safety Factor." He pointed out fraternal life policies cannot be assigned and proceeds from fraternal insurance cannot be attached, making them unusually safe. The new constitution and bylaws of the association were read and adopted. The next meeting will be Jan. 5.



A Legal Reserve Fraternal Life Ins. Society
309 W. Jackson Blvd., Chicago

THE WOMAN'S BENEFIT ASSOCIATION

Founded 1892

A Legal Reserve Fraternal Benefit Society

Bina West Miller Supreme President
Frances D. Partridge Supreme Secretary
Port Huron, Michigan

Benz and Little Address Ohio Congress Meeting

Alex O. Benz, president of Aid Association for Lutherans and past president National Fraternal Congress; John E. Little, actuary and field director of Maccabees, and Paul Speicher, R. & R., Indianapolis, were among the principal speakers at the Ohio Fraternal Congress annual meeting in Toledo. Fred A. Service, supreme solicitor of Protected Home Circle, also was a speaker as were T. E. Herrick, vice-president of Cleveland Trust Company, who discussed interfraternal and trust relations; Judge Homer Ramey, whose subject was "Fraternalism Practiced;" R. S. Cox, Junior Order United American Mechanics, congress secretary, "The Value of the Fraternal Dollar."

Mayme Hippler, the new president, is a representative of Woodmen Circle. L. C. Wolf, the new first vice-president, represents the Woodmen of the World; A. W. Franklin, second vice-president, United Commercial Travelers, and E. C. Jacobs, treasurer, Aid Association for Lutherans.

The 1942 annual meeting will be held in Columbus.

Chicago Fraternal Criticized

The Illinois insurance department has published the report of an examination of Italo-American National Union of Chicago, as of Dec. 31, 1940, showing assets \$292,639, certificate reserves \$228,547, unassigned funds \$38,906. The examiners state that annual statements as filed with the various insurance departments do not reflect the society's correct allocation of assets and all existing liabilities. Unsecured loans have been granted to members and officers. The society occasionally issues certificates up to the age of 66, contrary to its by-laws and to the insurance code of Illinois. The principal operating officers are D. F. Coccia, supreme secretary, and V. E. Ferrara, supreme treasurer. Insurance in force amounted to \$3,133,819.

N.F.C. Backs U. S. Administration

"The National Fraternal Congress of America and its more than 8,000,000 members join with all loyal citizens of the North American continent in support of our authorities in government to deal quickly, unitedly, and decisively in the prosecution of war with nations now attempting to tear down our democratic way of life," Thomas R. Heaney, president, wired President Roosevelt.

J. S. G. Kemp, agency secretary of Home Life of New York, has received word from his 25-year old son, Edwin G. Kemp, stationed at Fort Schafter, Honolulu, as a member of the 64th Coast Artillery, that he is safe.

Midkiff New President of W. O. W., Denver



TROY W. MIDKIFF

Troy W. Midkiff of Great Falls, Mont., who has been dean of the board of Woodmen of the World, Denver, since 1928, was elevated to president following the death recently of President Peter F. Gilroy. Mr. Midkiff has been a director for 32 years.

He was born in Illinois and spent some years in the state of Washington before moving to Great Falls in 1909. He has been engaged in the securities business there ever since.

Mr. Midkiff and his wife will adjust their personal affairs in Great Falls and then move to Denver to make their home. He is 65 years of age.

L.A.A. Boosts War Bond Sales

A resolution was adopted by the executive committee of the Life Advertisers Association in session in New York, calling on the member companies to join in promoting the sale of defense bonds and stamps.

A. Scott Anderson, Equitable Life of Iowa, president of the association, said members will be asked to carry the slogan on postage meters and devote space in their company and field publications, as well as those directed to policyholders, to articles urging such action.

Add 11 to 25-Year Club

The Ue Ce Qu Ce Club of employees of Union Central Life who have been associated with the company for 25 years or more held its annual reunion this week, 11 new members being inducted.

A reception was held in the company's luncheon club in the Union Central annex and later a dinner at which W. Howard Cox, president, welcomed in-

itiates. John O'Brien responded for new members. Secretary R. S. Rust offered a toast to retired members. An old-time minstrel show was presented by the company's minstrel troupe.

Dr. W. O. Pauli is general chairman, assisted by various committees headed by the following chairmen: R. S. Rust, reception; A. A. Spohr, entertainment; Miss Gertrude Bihlert, courtesies; W. E. McGowan, dinner; Robert Stuebing, invitation, and Nathan Binder, publicity.

Five copies of "Problems of the Smaller Estate" by Attorney G. B. Rogers cost \$1. Order from National Underwriter.

WOODMEN OF THE WORLD

Five Modern Legal Reserve Contracts

- Ordinary Life
- Twenty Payment Life
- Endowment at Sixty-five
- Twenty Year Endowment
- Paid Up at Sixty-five

These contracts are participating, and provide all standard non-forfeiture options.



Operating for fifty-one years in California, Oregon, Washington, Colorado, Idaho, Montana, Nevada, Utah, and Wyoming.

Write for particulars to

PETER F. GILROY, President
1447 TREMONT PLACE
DENVER, COLORADO



NEW!

Here's another brand new feature we have added to our sales kit, a new sales aid that would help YOU "influence people and rake in the \$\$\$\$'s."

HOSPITAL INSURANCE

ASK about this new addition to our complete line of legal reserve LIFE insurance plans.

FIDELITY

Life Association
of Fulton, Ill.

[Was Greatly Beloved] [Is Nationally Mourned]

His words on Life Insurance to Men and Women
in all Walks of Life — Will Live Forever.

Will Rogers said:

"When I buy life insurance, not only do I know where I am at, but my family knows where they're at. If you don't believe in Life Insurance, just try dying without it."

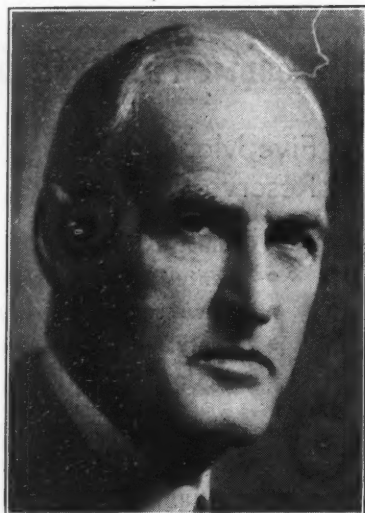
EQUITABLE RESERVE ASSOCIATION NEENAH, WIS.

(A Great Friendly Society with a record of 44 years of real service to its members.)

Official Changes at Metropolitan

(CONTINUED FROM PAGE 1)

staff, but another man has now been appointed to that position, and Mr. Johnston will now act only as consultant. His Metropolitan career has been entirely in the group division. He is regional group sales supervisor for eight midwestern states, with headquarters at St. Louis. Mr. Johnston was



J. E. KAVANAGH

graduated from Princeton in 1924, engaged in the publishing business for the next year, and in 1925 joined Metropolitan. He is a trustee of the National Association of Life Underwriters, and the trustees will now have to name a successor for the rest of the year.

Assistant Medical Director Finegan received his medical degree from Creighton University, Omaha, in 1935 and has recently been resident in medicine at Post Graduate Hospital, New York City. Assistant Medical Director Geiger received his medical degree from Vanderbilt University in 1930. He has specialized in orthopedic surgery. Assistant Secretary Welsh joined Metropolitan as a clerk in 1906 and after successive promotions was appointed assistant manager of the ordinary department in 1937. In 1919 the federal government borrowed him to take charge of premium accounting division of the War Risk Insurance division.

Mutual Trust Holds 5 Parleys

A series of five regional educational meetings were held by Mutual Trust Life at Minneapolis, Madison, Starved Rock, Toledo and Marquette, in northern Michigan.

Each meeting was planned and carried out by the field men. Almost every man contributed material in the form of a sales pointer, method of operation, or interesting experience.

At Toledo, Dave Dawson, central department field supervisor, had charge of a meeting of men from Ohio, Indiana and southern Michigan.

Those from Illinois met at Starved Rock lodge where H. Alan Newhart, field supervisor for Cook county, was in charge.

Those who assembled at Marquette were members of the northern Michigan agency. Agency Vice-president A. B. Slattengren, who participated in all five of the meetings, was the principal speaker at Marquette.

RECORDS

Northwestern Mutual Life—Shows increase in business in force for 27th consecutive month, the total at the end of

Myrick Dinner Is Testimonial to His Leadership

NEW YORK—Julian S. Myrick, who recently became second vice-president of Mutual Life after 33 years' service as manager of its Ives & Myrick agency in New York City, was honored at a testimonial dinner here given jointly by 13 leading insurance organizations with which he has been closely associated during his 42 years in the insurance business. More than 150 attended, including representatives of the sponsoring organizations and of more than 40 insurance offices in New York City.

General Agent E. A. Allen of New England Mutual as toastmaster introduced President L. W. Douglas of Mutual Life, who paid tribute to Mr. Myrick not only for his work in the company but for his contributions to the entire institution of life insurance. C. D. Connell, general agent of Provident Mutual, Mr. Myrick's successor on the board of trustees of the National Association of Life Underwriters, also spoke on Mr. Myrick's career.

Harry Gardiner, general agent of John Hancock Mutual, presented to Mr. Myrick the gift of the sponsoring organizations, a silver punch bowl, with tray and goblets, bearing the inscription, "Presented to Julian S. Myrick in appreciation of his services for the good of life insurance by his many friends in the business."

In his response Mr. Myrick reviewed his long association with the various organizations represented at the dinner and emphasized the valuable work they have done in improving the methods and standards of the entire insurance business. He pointed out that it is less than 60 years since life insurance leaders began to realize the institutional character of the business and through associations joined to cooperate and work out plans to improve the conduct, management and service of life insurance.

Looking to the future, Mr. Myrick predicted that when the war is over "we will find the world a better place to live in than it has ever been before and that the great institution of life insurance will contribute its part to the stabilization and reorganization which is bound to take place." Following Mr. Myrick's address Vice-president P. M. Fraser of Connecticut Mutual Life led the gathering in "Let the Rest of the World Go By," which has come to be known in the life insurance business as Julian Myrick's theme song.

Organizations sponsoring the dinner were New York City Life Underwriters Association; New York City Life Managers' Association; Midtown Managers Association; Brooklyn Managers Association; New York City C. L. U. Chapter; League of Life Insurance Women; The Round Table; Life Supervisors Association of New York; Brooklyn Supervisors Association; New York City Life Agency Cashiers Association; New York State Life Underwriters Association; National Association of Life Underwriters; and Insurance Society of New York.

November reaching \$4,021,549,935, represented by 1,087,441 policies. November paid-for was \$18,071,770, an increase of \$4,564,681 or nearly 34 percent over last year. Leading general agencies in volume were C. R. Eckert, Detroit; B. J. Stumm, Aurora, Ill.; Hobart & Oates, Chicago, and C. L. McMillen, New York City. Figures for 11 months show paid-for totaling \$201,100,173, an increase of \$20,957,973 or 11.6 percent.

Reliance Life—New life insurance paid for the first 11 months totaled \$57,085,062, compared with \$55,345,836 for the entire year 1940. New accident premiums were \$80,864, a gain of 20.2 percent, and health \$69,128, increase 23.3 percent.

November showed \$6,379,248 new paid life insurance, an increase of 37.7 percent

Guarantee Mutual Cancels Convention

OMAHA—Eighty agents of Guarantee Mutual Life who had qualified for the company's fortieth anniversary convention at Hollywood-by-the-Sea, Fla., Jan. 8-10, 1942, were notified this week by A. B. Olson, agency vice-president, that because of the national emergency the convention is being postponed.

Scranton Life last week took similar action with its agency convention. Cancellation of the Guarantee Mutual convention was decided on after receiving many letters from qualifying agents asking for such action in the interest of national defense and saving. Agents worked 20 months to qualify for the Florida trip. Cost of the convention was amortized over the 20 month period.

Agents will be rewarded with defense bonds in an amount equal to a substantial part of what would have been expended on each convention qualifier. The balance of the anticipated convention outlay has been set up as a reserve for a convention which can be held at the end of the emergency and which officials plan to call a "Victory Convention." Qualifiers for the canceled convention will be given a quota that will assure qualification for the "Victory Convention."

In addition to the defense bonds to be purchased for the agents the company has bought \$50,000 each of two series of defense bonds, the limit which it is permitted to buy.

over November, 1940. Insurance in force at the end of November reached a new high of \$531,089,659.

Columbus Mutual Life—New business in November gained 23 percent over November, 1940. J. C. Dexter, Columbus, who led all field men in the agency year, was top man in November.

MEMO

-sell a better policy for less and make more money!

... A real opportunity for the right man to qualify for a general agency contract with

CENTRAL LIFE of ILLINOIS

INVESTIGATE TODAY!

Central Life

INSURANCE COMPANY of Illinois

ALFRED MACARTHUR, PRESIDENT
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10%
NO CLAIM
BONUS

adds impetus to
ACCIDENT SALES

THE UNITED STATES LIFE
INSURANCE COMPANY
IN THE CITY OF NEW YORK

Get the full details about our "Liberal" series of commercial accident policies and the "10% no claim bonus" rider which adds sales appeal and conserves business for the producer. Of interest, too, will be our hospital expense policies—all backed by this 91-year-old life insurance company.

RICHARD RHODEBECK, Superintendent of Agencies, 101 Fifth Ave., New York, N. Y.

PROGRESSIVE PATRONS WANT PROGRESSIVE AGENTS IN A PROGRESSIVE COMPANY

That's why we're one of the fastest growing companies. Our Agents receive:

1. Liberal first year plus bonus second year commissions.
2. Lifetime service commissions.
3. Extra compensation for preferred business.
4. Liberal Retirement Plan for permanent agents.
5. 4-phase Educational Program points to C. L. U.

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REPUBLIC NATIONAL LIFE
INSURANCE COMPANY

THED. P. BEASLEY - PRESIDENT

DALLAS
HOME OFFICE
TEXAS

Sales Ideas and Suggestions

N. Y. Seminar Is Devoted to Problem of Recruiting Agents

NEW YORK—Many interesting and valuable points on recruiting were brought out at the special seminar on this important subject sponsored by the Life Managers and Life Underwriters Associations of New York City which was conducted by A. V. Youngman, general agent Mutual Benefit. Immediately after the opening question, which was "Is Recruiting Under Age 30 Worth While Under Today's Conditions?", R. G. Engelsman, Penn Mutual, stopped the show by asking how many in the room entered the business under age 30. When more than 90 percent of the 300 odd managers, general agents and supervisors raised their hands, it was taken as self-evident that recruiting under age 30 was well worth while. The opinion of most, however, is that for New York City at least, recruiting under age 25 is not wise today.

Return to College Campus

In the discussion of where to get recruits, H. N. Kuesel, Phoenix Mutual, presented his plan of sending successful agents back to their college campuses and to the fraternity houses for a number of days, through which many new successful agents have been obtained. Wheeler King, supervisor New England Mutual, and many others pointed out that recruiting must be a continuous process and that recruits should be approached with as much prestige as possible.

Osborne Bethae's Views

Osborne Bethae, general agent Penn Mutual, in discussing the development of centers of influence and nominators stated that it is necessary to recognize, cultivate and ask for action several times a year. Nominators, he said, should be developed just as carefully as agents should be. In this connection B. D. Salinger, Mutual Benefit, strongly recommended that the nominator be made to feel that he is doing the prospective agent a favor and not doing a favor for the general agent or manager.

In answering the problem of "Where to find them?" determining upon a specific plan and working it was regarded as more important than the particular type or source of lead used.

Using Policyholders

A. H. Jones, Mutual Life, in discussing the possibilities of using the old policyholder file as a source, described the method of using service calls on policyholders for a double purpose. In the double service call the recruiter makes a regular life insurance service call at which time, in addition, he sizes up the policyholder's possibilities as an agent, looking, of course, for men who are dissatisfied with their present jobs. Dignified enclosures with premium notices to rural policyholders, careful selection of a policyholder's file and the following up of policyholders who ask for extension of time in making their premium payments, were also suggested as good sources of agents. With policyholders asking for the time extension the cashier is instructed casually to ask, "How's your business?" and then make a record of the type of response received.

Developing Loyalty

With regard to the possibilities in the present agency organization, J. A. Schnur, Guardian, and Harold Taylor, Mutual Life, stressed the development of loyalty and agency spirit among the present agency forces, bringing out that

a good atmosphere in the agency is a most important background for recruiting. In the use of present agents as a source of new agents it was recommended that the general agent or manager discuss these questions individually with his successful agents and not before the entire agency force. Getting rid of non-producers was also recommended in this connection.

General Agent or Supervisor?

On the controversial question whether recruiting is a supervisor's or the general agent's job, Osborne Bethae stated it is the primary responsibility of the general agent, a definite portion of which should be delegated to the supervisor, but that they should work as a team and complement each other. In a large enough agency one man should certainly be directly responsible for recruiting, and while supervisors have many different things to do, their work should not be spread out too thin.

In discussing how to sell a job to the prospective agent, H. N. Kuesel, Phoenix Mutual, recommended that it be approached with a full recognition of the low prestige of the average agent. Ben Lowenstein pointed out that there is a danger in trying to sell a job too strongly. Three or four separate interviews on separate days were urged in the appraising of new men as were also interviews by separate staff men. The recruiting of brokers was strongly recommended because of the fact that the usual broker has a much smaller prospecting problem and a better income.

As to how a general agent can force himself to recruit it was practically the unanimous opinion that a definite system such as the setting up of quotas or charts be adopted. Furthermore it was recommended that the general agent send on perhaps three certain days in the month letters to nominators and centers of influence stating in the letter he is going to call on them and in this way automatically forcing action on the recruiter. Practically any general agent by looking over his own figures on the decreasing business from older agents and doing a little figuring will realize the necessity of a continuous recruiting system. Others on the panel included K. A. Luther, Aetna Life; H. A. Schmidt, New England Mutual; Harry Gardiner, John Hancock; A. J. Johannsen, Northwestern Mutual Life; A. H. Jones, Mutual; G. P. Shoemaker, Provident Mutual; L. W. Sechtman, associate general agent Aetna Life; R. E. Larkin, Connecticut General; T. W. Foley, State Mutual, and W. C. Smerling, assistant general agent Berkshire.

Agents Told How to Meet Problems of War, Inflation

MINNEAPOLIS—Impact of the war and inflation on the sale of life insurance was analyzed by John O. Todd, Northwestern Mutual, Chicago, before the Minneapolis Association of Life Underwriters.

"The war makes some of our problems obsolete," he said. "Our job is to stay ahead of the procession and the extent to which we do that will be the measure of our success."

Mr. Todd listed what he regarded as the most pressing problems confronting

the life agent. These include conscription, increased cost of living, growing income taxes, reversal of the attitude of the federal government toward life insurance, the government's efforts toward breaking up large fortunes, wholesale purchase of life insurance and the war. In discussing these problems, Mr. Todd said there is a lot of nonsense about inflation. Putting surplus funds into stock or into tangibles is not the answer, he insisted, and argued that the purchase of some form of life insurance is the only known means by which a man can replace his capital with certainty.

Policies May Need Revision

Mr. Todd suggested that agents and their policyholders examine contracts now in force in the light of the rising cost of living. Some changes in form might be desirable, he said.

"The increased income taxes have developed a new class of insurance-minded people," said Mr. Todd. "Any man who fails to protect himself against these rising taxes is simply crucifying himself. Many modest policyholders are affected. You agents can suggest how these clients can meet their tax situation."

"Many policyholders will be disappointed when they find, under recent federal rulings, that their life insurance is taxable when they were given to understand that it would not be. But cash and securities are taxable, too, and a life insurance reserve is still the best method of meeting estate taxes."

Louis Behr, Equitable Society, in Chicago, described his methods which have made him one of the outstanding producers of the country. When asked what he considered a good selling field for the future he said the retirement of stock plan offers opportunities that are worth prospecting.

More Attention to Voice Urged by Harry I. Davis

MONTGOMERY, ALA.—Life insurance is sold orally, therefore the agent should develop his voice personality even if he has to take public speaking. Harry I. Davis, Massachusetts Mutual Life, Atlanta, Million Dollar Round Table member, declared before the Alabama Association of Life Underwriters.

In discussing "That 2 Percent Difference," Mr. Davis pointed out that this difference may be in the inflection of the voice or in the agent's "stance," just as in golf the difference between a shot down the middle of the fairway and a "slice" may be the slight difference in which the golfer stands or holds his club.

A "100 percent" agent must be a good listener and let the talkative man talk, "as he may talk himself right into a policy." Say "good bye" to the prospect who is "too busy" and endeavor to see him under more favorable circumstances and be brief. Many an agent has "talked himself out of business."

Now that men are making more money they should buy more insurance because living costs are higher, and their families will need more to live adequately, Mr. Davis declared.

Virginia Department Gets Trophy

The Virginia department of Reliance Life, winner in the Caritas Cup race, was presented the trophy at a banquet in Richmond. H. T. Burnett, agency vice-president; T. J. McKenna, vice-president, and Glenn Lamar, southern superintendent of agencies, attended.

The organization scored \$12,945,731 of paid volume on a pro rata basis during the eight weeks of the contest.

Diamond Life Bulletins increase sales. Write 420 E. Fourth St., Cincinnati.

MANAGERS

Supervisors Hear Morgan on Underwriting Problems

LOS ANGELES—Vice-president L. W. Morgan of Pacific Mutual Life addressed the Life Supervisors Association of Los Angeles on present-day conditions as seen by the home office underwriter. He said the companies today face serious conditions, with low interest return the most important factor, and that but two factors are left from which they may expect profit, mortality savings and savings in expenses. As interest rates come down, expense ratios go up, he said. He declared that estate planning for prospects or policyholders who buy but small amounts of insurance is expensive to the companies and is not good practice.

Mortality saving now is the most important factor for the companies, he said. The experience in the younger years has been better, but for ages over 50 the number of deaths is going up.

The home office underwriter wants the underwriting to begin in the field. He wants the application to tell the entire story. He wants to know that the statements made by the agent, accompanying the application, are correct and complete.

It is now advocated that the agent build prestige with his clients and in the community, and he said the agent also should build prestige with his home office. He should make this prestige so outstanding that when he sends in an application with a recommendation, the home office underwriter can accept it as giving a true and complete picture of the case.

Hiram Moore St. Paul President

Hiram Moore, Mutual Life of New York, was elected president of the St. Paul Life Managers & General Agents Club at the annual meeting. Vice-presidents are Jack Willinger, Northwestern National, and Gordon Groff, Equitable of Iowa; secretary-treasurer, T. M. Donohue, Sun Life. Donald O. McLeran, New England Mutual, was elected a director.

Report on Managers School

At a meeting of the Oklahoma General Agents & Managers Club, Charles Jolly, Prudential, and Marmaduke Corby, Jr., Occidental Life, spoke on the agency management school conducted by the Sales Research Bureau which they attended recently in Hartford.

Boston Cashiers Hear Smith

The Life Cashiers Club of Boston heard an instructive talk by George P. Smith, New York Life, president of the General Agents & Life Managers Association of Boston. Howard O'Malley, field instructor Equitable Society, from the home office, also addressed the cashiers, who now have a membership of about 40.

Williams Is Dallas Speaker

Ben H. Williams, director of sales of Southwestern Life, spoke to the Life Insurance Managers Club of Dallas on "Morale—How to Build It" in a series on "Morale and Agency Management."

At the December meeting of the Columbus (O.) Life Agency Cashiers Association, Sanford L. Lakin, attorney, discussed "Your 1941 Income Tax."

Life Sales Boom; Public in Buying Mood

(CONTINUED FROM PAGE 1)

great difficulty in securing long distance connections with their home offices to expedite business. A factor was the government's exerting priority on the lines for emergency business, but much of it was last minute efforts to get business issued before war clauses went on.

Although in most cases new business is not stimulated as much as it was in the month preceding the general option and rate change, several years ago, estimates of December gains by some offices run as high as 300 percent over last year. In Chicago, for example, the E. W. Hughes general agency of Massachusetts Mutual Life, expects to do two and a half times its last year volume. C. J. Zimmerman, Connecticut Mutual, expects to double his December sales; James H. Brennan, Fidelity Mutual, will be ahead 250 percent; Edwin E. Besser, Jr., Lincoln National, passed his December, 1940 mark on the 10th and expects to more than double it. N. K. Allison, Connecticut General, expects a 50 percent gain. These instances provide a fair cross section of the general experience.

The J. M. Royer general agency of Penn Mutual in Chicago reported for the last 15 days it has been writing an average of 50 cases a day, with a total for the 15 days exceeding any similar period in the agency's history for the last 14 years.

TREMENDOUS UPTURN

NEW YORK—There has been a tremendous up turn in life insurance production the past two weeks, New York companies reporting gains from 10 to 50 percent over last year. Important factors are the entry of the United States into the war and the rate increases which have been announced by a number of companies and given considerable publicity in the general press. Other factors are the continuing improvement in general business and the imposition of war clauses.

The reality of war has caused many people to realize the inadequacy of their life insurance coverage.

In quite a number of cities, particularly on the seacoast, there have been air raid alarms and blackouts, both practice and the real thing. They have caused people to think about their life insurance.

Even with companies that have announced no rate changes, agents have effectively used the announcements of other companies as an indication of what might be expected.

A number of the New York agencies are almost literally swamped with applications.

HARTFORD COMPANIES

HARTFORD—Hartford life insurance companies are experiencing an upturn in sales in the latter two months of this year which in some cases is reported to be larger than previous years and in other cases about the same. Although in individual instances sales have risen very sharply, spokesmen for no companies were willing to call the increase a "boom." Various reasons were

given for the rise, including higher premium rates in and adoption of war risk clauses.

Travelers, although reluctant to give out any actual sales figures, reported November sales were 10 percent above the monthly average in 1940 and also 10 percent higher than October this year. December sales are showing a corresponding increase.

Connecticut Mutual ordinary life sales the week ended Dec. 11 totaled \$3,160,000, 10 percent above the same week a year ago. The previous week sales were up 11.7 percent, \$2,797,000 compared with \$2,500,000. These jumps compare with a gain of 4.6 percent in November over 1940 and a decline of 2.6 percent in October from 1940.

Rise in Number of New Policies

Phoenix Mutual reported a sharp recent rise in number of new policies applied for. Up to September this year these averaged 3 percent above 1940. In September the increase was 8 percent over 1940, in October 22 percent and November 38 percent.

Connecticut General released no figures, stating that sales this year were running about even with last year. No unusual rise in recent weeks has been noticed, it was said.

Aetna Life sales took a very decided upturn two months ago, according to Vice-president S. T. Whatley. Since that time they have been running at the same level but no more recent rise has taken place. The Oct. 1 jump was 25 to 30 percent over the production rate previously this year, Mr. Whatley said. Up to Oct. 1 Aetna Life sales had run slightly below those for 1940. Since that time they have been well above last year.

INCREASES IN SAN FRANCISCO

Practically every life office in San Francisco reported unprecedented new business writings during the week December 8-15, probably because of the war plus the rate changes and war restrictions. Some offices reported the best weeks in many years, one reporting a total volume almost three times the previous week—which also had shown a gain. The offices anticipate a slight slowing up but feel the demand will continue to be above normal for some time.

Clarification of Mutual Status Felt Advisable

(CONTINUED FROM PAGE 3)

warned against the adoption or continued use of phraseology which while once accurate in its implications, has ceased to be so because of changes in the facts which underlie the language used. These cases furnish such a warning.

Mr. Pierson said there is one other

aspect of the Chicago cases which is important. The plaintiffs' second amended complaint alleged the plaintiffs' interest in the surplus in possession of the company, and the interest of all other former members similarly situated, was held by the company as a "constructive trust for their use and benefit," and urged that the court construe to this effect.

Illinois Court's Attitude

The Illinois circuit court of appeals, in rejecting plaintiffs' argument, while not giving detailed consideration to this particular point, dealt with the plaintiffs' claims in such a manner that it indicated that the court would have been reluctant, if not wholly unwilling, to adopt the view that any trust relationship existed as between the policyholder and the company.

"In taking this view," Mr. Pierson commented, "it would have been consistent with the rule generally adopted by the courts of this country that the relationship between a life insurance company and its policyholders is that of debtor and creditor, their rights being determined solely by the terms of the insurance contract, rather than that of trustee and cestui que trust."

Sounds Note of Warning

"If we are to preserve the legal advantages which we derive from such decisions as these with reference to trusteeship, there are also important considerations of accuracy in phraseology which our executive officers and directors ought to have in mind when they talk about the life insurance business. By giving due attention to these considerations they may well avoid the assumption of unnecessary risks or the creation of undue restraints upon the exercise of their discretion in the administration of the affairs of their companies."

Van Winkle Is New Chairman

LOS ANGELES—The life insurance committee of the Los Angeles Chamber of Commerce at its annual meeting elected Kellogg Van Winkle, agency director of Equitable Society, as chairman, and Executive Vice-president Dwight L. Clarke of Occidental Life as vice-chairman.

Harold D. Leslie, general agent Northwestern National, the retiring chairman, made an extensive report.

Nominated for vice-president of the Chamber of Commerce is Executive Vice-President Asa V. Call of Pacific Mutual and for a place on the board, Clarke E. Bell, inspector of agencies of New York Life.

As president of the Portland Rose Festival Association, George Schoeffel, superintendent of agencies of Oregon Mutual Life, is busy on preparations of Portland's float in the Pasadena Tournament of Roses. Although the Rose Bowl football game has been shifted to Durham, N. C., it is assumed the tournament of roses will be held in Pasadena.

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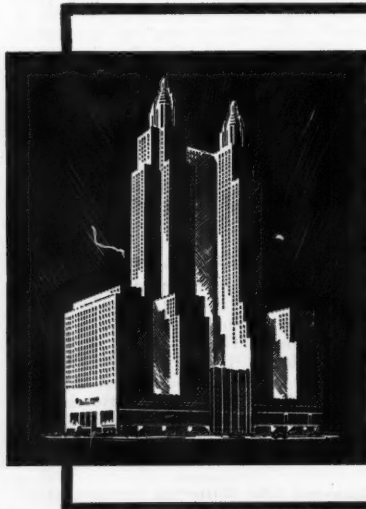
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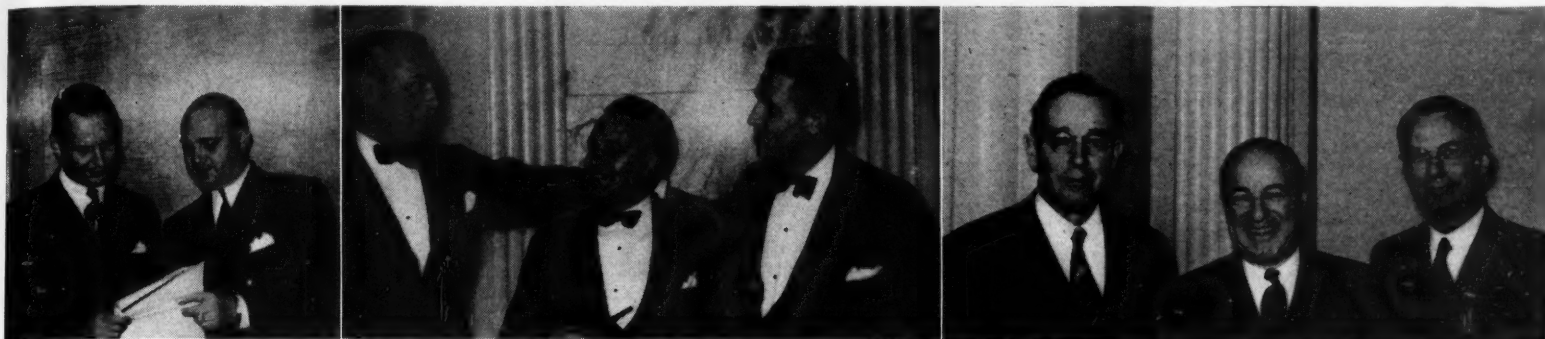
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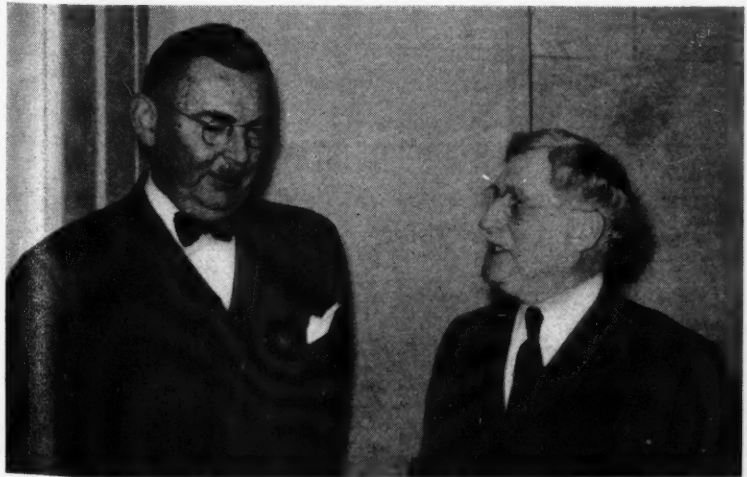
Life men gather in New York City for special meetings: (left to right)—R. M. Clark, vice-president and secretary Continental Assurance; R. H. Kastner, associate counsel American Life Convention; C. O. Fischer, vice-president Massachusetts Mutual; R. E. Irish, president Union Mutual; J. Roger Hull, vice-president and manager of agencies Mutual Life of New York; A. M. Collens, president, and M. Clark Terrill, vice-president, of Phoenix Mutual; and M. A. Linton, president Provident Mutual.



At New York City life insurance gatherings: Top—H. H. Armstrong, vice-president Travelers, and B. K. Elliott, vice-president and general counsel John Hancock. Below—Carlton McKenney, vice-president Life of Virginia; Angus O. Swink, head of the Atlantic agency of Richmond, and R. R. Lounsbury, president of Bankers National Life.

Views at Life President Association's parley in New York: Top—William Thomas Grant, president Business Men's Assurance, and William Thomas Grant, chairman W. T. Grant department store chain, who was the former's guest at the convention. They are not related but have been friends for some years.

Below—Commissioner Thompson of Oregon, Commissioner Julian of Alabama, General Manager S. H. Longshore of Preferred Life of Alabama, and T. B. Donaldson, president Pennsylvania General Underwriters and former Pennsylvania insurance commissioner.



V. P. Whitsitt, general manager, and O. J. Arnold, president Northwestern National Life, convention chairman, at Life President Association's annual meeting in New York.



At Missouri Association of Life Underwriters' mid-year meeting at Moberly: Front Row—W. L. Coonrod, president Springfield association; W. T. McBride, secretary-treasurer state association; Lester Becker, president St. Louis association; Otto Schultz, president Jefferson City Association; Herbert A. Hedges, secretary National association.

Standing—Mike McKenny, St. Joseph; Frank Vesser, first vice-president state association; William Butler, president Kansas City association; Prewitt B. Turner, president state association; Paul Sitten, president Columbia association, and E. V. Walker, president Sedalia association.

ADVANCING AMERICAN LIFE INSURANCE by ADVANCING THE LIFE UNDERWRITER

The American agency system is responsible for the tremendous growth of life insurance in America.

When the Equitable was organized in 1859—eighty-two years ago—there were but a few hundred life insurance representatives in the entire country. Today there are over one hundred and thirty thousand, servicing 117 Billions of insurance in force, and due to whose efforts over 2½ Billions are being paid out to policyholders and beneficiaries every year.

The growth of the Equitable during the past eighty-two years has been even more rapid than that of life insurance generally. But in seeking to extend its own company services, the Equitable has been conscious of the contribution it could make to life insurance institutionally by facilitating the work of the life underwriter, aiding in his education and training, and elevating his status to that of a professional calling. Today the prestige of the American life underwriter is higher than ever; and with pardonable pride the Equitable points to some of the forward movements it has initiated—or supported—for the benefit of the fraternity at large.

It has made the work of the agent more attractive by broadening and liberalizing the policy contract. The present popularity which life insurance enjoys is in no small degree due to its vision and enterprise.

It was among the first companies to inaugurate a program of education and training for agents. As far back as 1902 classes of instruction were held, and a few years later a correspondence course covering the fundamentals of the business and sales procedure was introduced.

It has issued books on life insurance salesmanship and made them available to the agents of all companies.

Collaborating with other companies, it was one of the sponsors of the Life Insurance Sales Research Bureau.

It aided in the formation of the American College of Life Underwriters.

More recently it has given whole-hearted support to the S. S. Huebner Foundation for Insurance Education.

When the Institute of Life Insurance was proposed as a means of interpreting life insurance more effectively to the general public, The Equitable was one of the earliest advocates.

This year it inaugurated for the benefit of its agents an improved system of compensation with retirement benefits—a plan that has been characterized as a model of its kind.

And in support of one of the greatest instrumentalities for the advancement of the agent—The National Association of Life Underwriters and the many Local Associations—The Equitable has encouraged managers and agents to maintain membership and give unsparingly of their time and talents.

Today, American life insurance is recognized as a great financial bulwark in the national economy. The groundwork laid by The Equitable and other companies during past decades in behalf of the life underwriter is proving of immeasurable value in the present crisis. American life underwriters can and will respond to the opportunities—and responsibilities—for which the past years of training and education have equipped them.



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